

PRELIMINARY OFFICIAL STATEMENT DATED MAY 13, 2026

NEW ISSUE - FULL BOOK-ENTRY

RATING: S&P: "AA-"
See "RATING" herein.

In the opinion of Jones Hall LLP, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

\$13,000,000*
FRUITVALE SCHOOL DISTRICT
(Kern County, California)
General Obligation Bonds,
Election of 2024, Series A

Dated: Date of Delivery

Due: August 1, as shown on inside front cover

Authority and Purpose. The above-captioned General Obligation Bonds, Election of 2024, Series A (the "Bonds") are being issued by the Fruitvale School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Trustees of the District adopted on May 12, 2026. The Bonds were authorized at an election of the registered voters of the District held on November 5, 2024, which authorized the issuance of \$36,000,000 principal amount of general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. The Bonds are the first series of bonds to be issued under the 2024 Authorization (as defined herein). See "THE BONDS – Authority for Issuance" and "- Purpose of Issue" herein.

Security. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by Kern County (the "County"). The County is empowered and obligated to annually levy *ad valorem* property taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has other series of general obligation bonds outstanding. See "SECURITY FOR THE BONDS."

Book-Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and APPENDIX F.

Payments. The Bonds are dated the date of delivery set forth below and accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing August 1, 2026. Payments of principal of and interest on the Bonds will be paid by Zions Bancorporation, National Association, the designated paying agent, registrar and transfer agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption.* The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption."

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds, and will decide prior to the sale of the Bonds whether to purchase such insurance.

MATURITY SCHEDULE

(See inside cover)

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be sold and awarded through a competitive bidding process to be held on May 20, 2026, as set forth in the Official Notice of Sale for the Bonds. The Bonds will be offered when, as and if issued, subject to the approval as to legality by Jones Hall LLP, Bond Counsel to the District, and subject to certain other conditions. Jones Hall LLP is also serving as Disclosure Counsel to the District. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about June 3, 2026.*

The date of this Official Statement is _____, 2026.

*Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE*

FRUITVALE SCHOOL DISTRICT (Kern County, California) General Obligation Bonds, Election of 2024, Series A

Base CUSIP†: 359497

\$ _____ Serial Bonds

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
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\$ _____ % Term Bonds maturing August 1, 20__; Yield: __%; Price: __;
CUSIP†: __

**Preliminary; subject to change.*

† CUSIP® is a registered trademark of the American Bankers Association. All rights reserved. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc on behalf of The American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Purchaser take any responsibility for the accuracy of the CUSIP data.

FRUITVALE SCHOOL DISTRICT
(Kern County, California)

BOARD OF TRUSTEES

Tina Stout, *President*
Bryan Burrow, *Clerk*
Andrew Bransby, *Member*
Stan Greene, *Member*
Brenda Tremaine, *Member*

DISTRICT ADMINISTRATION

Leslie Garrison, *Superintendent*
Rececca Innis, *Chief Business Officer*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.
Irvine, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

Zions Bancorporation, National Association
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Purchaser.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Purchaser to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Purchaser.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases “will likely result,” “are expected to”, “will continue”, “is anticipated”, “estimate”, “project,” “forecast”, “expect”, “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Purchaser. The Purchaser has provided the following statement for inclusion in this Official Statement: The Purchaser has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Purchaser does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Purchaser may overallocate or take other steps that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Purchaser may discontinue such market stabilization at any time. The Purchaser may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Purchaser.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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YEAR 2024-25

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\$13,000,000*
FRUITVALE SCHOOL DISTRICT
(Kern County, California)
General Obligation Bonds,
Election of 2024, Series A

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the general obligation bonds captioned above (the “**Bonds**”) by Fruitvale School District (the “**District**”).

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District encompasses a 10-square mile area in the northwestern area of the City of Bakersfield and unincorporated Kern County (the “**County**”) in California (the “**State**”). Established in 1895, the District serves a population of approximately 21,300 residents and includes Columbia Elementary School, Discovery Elementary School, Endeavour Elementary School, Quailwood Elementary School and Fruitvale Junior High School. Total enrollment is approximately 2,961 students for the 2025-26 school year.

For more information regarding the District and its finances, see APPENDIX A and APPENDIX B attached hereto. See APPENDIX C hereto for demographic and other statistical information regarding the City of Bakersfield and the County.

Purpose of Issue. The net proceeds of the Bonds will be used to finance construction of and improvements to facilities of the District, as approved by voters in the District at an election held on November 5, 2024 (the “**Bond Election**”). See “THE BONDS - Purpose of Issue” herein.

Authority for Issuance of the Bonds. Issuance of the Bonds was approved by more than the requisite 55% of the voters of the District voting at the Bond Election to authorize \$36,000,000 of general obligation bonds, and will be issued pursuant to certain provisions of the California Government Code and a resolution adopted by the Board of Trustees of the District on May 12, 2026 (the “**Bond Resolution**”). See “THE BONDS – Authority for Issuance” herein.

Description of the Bonds. The Bonds will be issued as current interest bonds, will be dated their date of delivery (the “**Dated Date**”) and will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 or any integral multiple thereof. The Bonds will mature on August 1 in the years indicated on the inside cover page hereof. The Bonds will accrue interest from the Dated Date, which is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2026. See “THE BONDS – Description of the Bonds” herein.

¹ Preliminary; subject to change.

Payment and Registration of the Bonds. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through participants in DTC’s book-entry only system (“DTC Participants”) as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See APPENDIX F.

If the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Bond Resolution. See “THE BONDS - Registration, Transfer and Exchange of Bonds” herein.

Security and Sources of Payment for the Bonds. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property located in the District and collected by the County. The County is empowered and obligated to annually levy *ad valorem* property taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See “SECURITY FOR THE BONDS.”

Following the issuance of the Bonds, there will be \$23,000,000* unissued authorization remaining under the 2024 Authorization (as defined herein). See “FINANCIAL INFORMATION - Existing Debt Obligations” in APPENDIX A.

Redemption*. The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS – Redemption.”

Legal Matters. Issuance of the Bonds is subject to the approving opinion of Jones Hall LLP, Bond Counsel, to be delivered in substantially the form attached hereto as APPENDIX D. Jones Hall LLP will serve as Disclosure Counsel to the District. Payment of the fees of Bond Counsel and Disclosure Counsel is contingent upon issuance of the Bonds.

Bond Insurance. The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance. See “BOND INSURANCE.”

Tax Matters. In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “TAX MATTERS” and APPENDIX D hereto for the form of Bond Counsel’s opinion to be delivered concurrently with the Bonds.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of a continuing disclosure certificate (the “Continuing Disclosure Certificate”), the form of which is attached as APPENDIX E. See “CONTINUING DISCLOSURE” for additional information.

* Preliminary; subject to change.

Cyber Risks. The District, like other governmental and business entities, faces significant risks relating to the use and application of computer software and hardware for educational, operational and management purposes. The District collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, vendors and contractors. As the custodian of such information, the District may face cybersecurity threats, attacks or incidents from time to time. No assurance can be given that future cyber threats or attacks against the District or third-party entities or service providers will not directly or indirectly impact the District or the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the District's continuing disclosure undertakings, described in more detail herein. See APPENDIX A "FINANCIAL INFORMATION – Disclaimer Regarding Cyber Risks."

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement are available from the Superintendent's Office at 7311 Rosedale Hwy., Bakersfield, California 93308, telephone: (661) 589-3830, which may impose a charge for copying, mailing and handling.

THE BONDS

Authority for Issuance

The Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 thereof, and the Bond Resolution. The District received authorization by more than the requisite 55% of District voters at the Bond Election to issue general obligation bonds in a principal amount of \$36,000,000 (the “**2024 Authorization**”).

The Bonds are the first series of bonds issued pursuant to the 2024 Authorization. Following the issuance of the Bonds, there will be \$23,000,000 unissued authorization remaining under the 2024 Authorization.

Purpose of Issue

Proceeds of the Bonds will be used for the purposes specified in the ballot measure approved by voters in the District on November 5, 2024, the abbreviated text of which appeared on the ballot as follows:

“To repair/replace deteriorating roofs/plumbing/electrical systems; improve safety/security systems and disability access; remove asbestos and lead pipes; upgrade older classrooms, labs, school facilities to support student achievement in math, science engineering, arts and technology; shall Fruitvale School District's measure authorizing \$36,000,000 in bonds at legal rates be adopted, levying average rates of 3¢ per \$100 assessed value (estimated \$2,000,000 annually) while bonds are outstanding, with citizen oversight, annual audits, and all money locally controlled?”

In addition to the abbreviated statement of the ballot measure, as part of the sample ballot materials, in accordance with the requirements of California law, District voters were presented with a full text of the ballot measure, which, among other items, included a project list identifying to District voters the types of projects eligible for funding from proceeds of bonds approved at the Bond Election (the “**Project List**”). The District makes no representation as to the specific application of the proceeds of the Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2024 Authorization will provide sufficient funds to complete any particular project listed in the Project List.

Description of the Bonds

The Bonds are being issued as current interest bonds. The Bonds mature in the years and in the amounts set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See “Book-Entry Only System” and APPENDIX F.

The Bonds shall be issued in the denominations of \$5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semi-annually on each February 1 and August 1, commencing August 1, 2026 (each, an “**Interest Payment Date**”). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication

* Preliminary; subject to change.

thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month preceding such Interest Payment Date (each, a “**Record Date**”), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to July 15, 2026, in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by Zions Bancorporation, National Association, as the designated paying agent, registrar and transfer agent (the “**Paying Agent**”) to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

Book-Entry Only System

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of DTC. Purchasers of the Bonds will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC’s book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or any other action premised on such notice. See APPENDIX F.

The Paying Agent, the District, and the Purchaser of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Redemption*

Optional Redemption. The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 20__ and on any date thereafter, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed, together with interest thereon to the date fixed for redemption, without premium.

Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond will be deemed to consist of individual bonds of \$5,000 principal amount. The Bonds may all be separately redeemed.

** Preliminary; subject to change.*

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__ (the “Term Bonds”), are also subject to mandatory sinking fund redemption on or before August 1 in the years, and in the amounts, as set forth in the following table. The Term Bonds so called for mandatory sinking fund redemption will be redeemed in the sinking fund payment amounts and on the dates set forth below, without premium, together with interest accrued thereon to the date fixed for redemption.

Term Bonds Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption
---------------------------------------	------------------------------------

If any Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Notice of Redemption

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the owners of the Bonds designated for redemption. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable. Such notice may be a conditional notice of redemption and subject to rescission as set forth below.

Neither the failure to receive such notice nor any defect in any such redemption notice so mailed shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Partial Redemption of Bonds

Upon surrender of Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, the Bonds called for redemption will cease to be entitled to any benefit under the Bond Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified

in such notice. The Paying Agent will cancel all Bonds redeemed and will furnish a certificate of cancellation to the District.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. The District and the Paying Agent have no liability to the Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Bond Resolution.

Registration, Transfer and Exchange of Bonds

If the book-entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

If the book-entry system is discontinued, the person in whose name a Bond is registered on the Bond registration books shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution.

Bonds may be exchanged at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity, together with a request for exchange signed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book-entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolution, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected or called for redemption in whole or in part.

Defeasance and Discharge of Bonds

Any or all of the Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable under the Bond Resolution by the District:

- (a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

- (b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Bonds; or
- (c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in the Bond Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under the Bond Resolution and will be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in the Bond Resolution or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the County and the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of the Bond Resolution will apply in all events.

“Federal Securities,” as defined in the Bond Resolution, means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

DEBT SERVICE SCHEDULES

The Bonds. The following table shows the annual debt service schedule with respect to the Bonds, assuming no optional redemptions.

**Fruitvale School District
General Obligation Bonds,
Election of 2024, Series A
Debt Service Schedule**

Bond Year Ending (August 1)	Principal	Interest	Total Annual Debt Service
<hr/>			
TOTAL			

Combined General Obligation Bonds. The following table shows the combined annual debt service schedule with respect to all outstanding general obligation bonds of the District secured by *ad valorem* property taxes, assuming no optional redemptions. See APPENDIX A – “FINANCIAL INFORMATION – Existing Debt Obligations” for additional information.

FRUITVALE SCHOOL DISTRICT
Combined General Obligation Bond Debt Service Schedule

Bond Year Ending August 1	Election of 2006, Series B ⁽¹⁾	2011 Refunding Bonds	2015 Refunding Bonds	Series 2016A Bonds	Series 2016B Bonds	The Bonds	Total Debt Service
2026	\$653,606.70	\$161,200.00	\$719,018.76	\$286,925.00	\$613,143.76		
2027	712,457.20	--	715,368.76	298,675.00	635,893.76		
2028	771,423.20	--	716,418.76	309,675.00	657,143.76		
2029	830,000.00	--	717,018.76	319,925.00	686,893.76		
2030	--	--	1,492,168.76	334,425.00	709,643.76		
2031	--	--	1,548,618.76	342,925.00	740,643.76		
2032	--	--	1,612,218.76	355,675.00	769,393.76		
2033	--	--	1,677,668.76	372,425.00	795,893.76		
2034	--	--	527,825.00	384,825.00	830,143.76		
2035	--	--	531,737.50	401,425.00	861,643.76		
2036	--	--	--	419,375.00	895,393.76		
2037	--	--	--	431,575.00	932,231.26		
2038	--	--	--	448,175.00	967,150.00		
2039	--	--	--	469,025.00	1,005,025.00		
2030	--	--	--	488,556.26	1,041,525.00		
2041	--	--	--	507,150.00	1,081,650.00		
2042	--	--	--	524,806.26	1,126,000.00		
2043	--	--	--	546,525.00	1,168,250.00		
2044	--	--	--	567,150.00	1,213,400.00		
2045	--	--	--	591,062.50	1,261,300.00		
2046	--	--	--	613,675.00	1,311,800.00		
2047	--	--	--	634,987.50	1,364,750.00		
Total	\$2,967,487.10	\$161,200.00	\$10,258,062.58	\$9,648,962.52	\$20,668,912.62		

(1) Reflects maturity value of capital appreciation bonds.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds

Principal Amount of Bonds

[Net] Original Issue [Premium]/[Discount] _____

Total Sources

Uses of Funds

Building Fund

Debt Service Fund

Costs of Issuance ⁽¹⁾ _____

Total Uses

(1) All estimated costs of issuance including, but not limited to, Purchaser's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor, premium for municipal bond insurance (if any), the Paying Agent and the rating agency.

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* property taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Other Debt Payable from Ad Valorem Property Taxes. In addition to the Bonds, there is other debt issued by the District and other entities with jurisdiction in the District, which is payable from *ad valorem* property taxes levied on all property in the District. See “PROPERTY TAXATION – Tax Rates” and “- Direct and Overlapping Debt” below.

Levy, Collection and Pledge of Taxes. The County will levy and collect such *ad valorem* property taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is held by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

Statutory Lien on Ad Valorem Tax Revenues. Under California law, voter-approved general obligation bonds which are secured by *ad valorem* property tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Annual Tax Rates. The amount of the annual *ad valorem* property tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Natural Disasters. Economic and other factors beyond the District’s control, such as economic recession, deflation of property values, pandemics, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought, climate change or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate. See “PROPERTY TAXATION – Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value.”

Building Fund

Proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Bond Resolution and known as the "Fruitvale School District, Election of 2024, Series A Building Fund" (the "**Building Fund**"). The County Treasurer will maintain separate accounting for the proceeds of the Bonds, including all earnings received from the investment thereof. Amounts credited to the Building Fund for the Bonds will be expended by the District solely for the financing of projects for which the Bond proceeds are authorized to be expended under the 2024 Authorization (which includes related costs of issuance). All interest and other gain arising from the investment of proceeds of the Bonds will be retained in the Building Fund and used for the purposes thereof. At the Written Request of the District filed with the County Treasurer, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund (as defined below), to be applied to pay the principal of and interest on the Bonds.

If excess amounts remain on deposit in the Debt Service Fund after payment in full of the Bonds, any such excess amounts shall be transferred to the general fund of the District, to be applied for the purposes for which the Bonds have been authorized or otherwise.

Debt Service Fund

Amounts to pay debt service on the Bonds will be held in the fund created and established in the Bond Resolution and known as the "Fruitvale School District Election of 2024, Series A Debt Service Fund" (the "**Debt Service Fund**") for the Bonds, which the County Treasurer shall hold as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, at the request of the District, for the payment of the principal of and interest and premium (if any) on the Bonds will be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The Debt Service Fund is pledged for the payment of the principal of and interest on the Bonds when and as the same become due, including the principal of any term Series A Bonds required to be paid upon the mandatory sinking fund redemption thereof. Amounts in the Debt Service Fund shall be transferred by the County Treasurer to the Paying Agent to the extent necessary to pay the principal of and interest and redemption premium (if any) on the Bonds when due. In addition, amounts on deposit in the Debt Service Fund shall be applied to pay the fees and expenses of the Paying Agent insofar as permitted by law, including specifically by Section 15232 of the Education Code.

If excess amounts remain on deposit in the Debt Service Fund after payment in full of the Bonds, any such excess shall be transferred to the general fund of the District, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Not a County Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* property tax levied and collected by the County, for the payment of principal and interest on the Bonds. Although the County is obligated to collect the *ad valorem* property tax for the payment of the Bonds, the Bonds are not a debt of the County.

PROPERTY TAXATION

Property Tax Collection Procedures

In California, property subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The “secured roll” is that part of the assessment roll containing state assessed public utilities’ property and real property, the taxes on which create a lien on such property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county in which the property is located.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. However, Senate Bill 813 (enacted by Statutes of 1983, Chapter 498) (“**SB 813**”), provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder’s office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization (“**SBE**”) and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as “unitary

property”, a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and “operating nonunitary” property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation

The assessed valuation of property in the District is established by the assessor of the County, except for public utility property which is assessed by the SBE, as described above. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution. For a discussion of how properties currently are assessed, see APPENDIX A under the heading “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS.”

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Assessed Valuation History. The table below shows a history of the District’s assessed valuation.

FRUITVALE SCHOOL DISTRICT Assessed Valuation Fiscal Years 2015-16 through 2025-26

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2015-16	\$2,585,716,530	\$ --	\$311,849,605	\$2,897,566,135	--%
2016-17	2,655,971,900	--	269,653,232	2,925,625,132	1.0
2017-18	2,730,326,352	--	228,254,193	2,958,580,545	1.1
2018-19	2,925,137,004	--	234,284,220	3,159,421,224	6.8
2019-20	2,968,559,077	--	259,693,747	3,228,252,824	2.2
2020-21	3,125,962,330	--	262,988,563	3,388,950,893	5.0
2021-22	3,256,588,707	--	228,671,514	3,485,260,221	2.8
2022-23	3,555,270,895	--	240,246,836	3,795,517,731	8.9
2023-24	4,021,192,538	--	269,677,868	4,290,870,406	13.1
2024-25	4,249,405,387	7,928	279,254,091	4,528,667,406	5.5
2025-26	4,234,175,650	7,928	286,978,266	4,521,161,844	(0.2)

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and disasters such as wildfires, earthquakes, droughts, floods, climate change and pandemics, among others. The District cannot predict or make any representations regarding the effects that natural disasters or other conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Wildfires. According to the State, fire season is starting earlier and ending later each year, with the increased length of the season corresponding to an increase in the extent of forest fires across the State. In addition to destroying land and structures, there have been human fatalities and negative impacts on air quality throughout the State. Fires in the State and neighboring states have threatened the region's power grids, making some power lines unreliable. The Governor has issued executive orders in the past suspending penalties, costs and interest on late property tax payments for properties impacted by wildfires. The District cannot predict or make any representations regarding the effects that wildfires and related conditions have or may have on the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Seismic Events. The District is located in a seismically active region. An earthquake of large magnitude could result in extensive damage to property within the District and could adversely affect the assessed valuation of property within the District, or more generally the region's economy.

Drought. The State has experienced drought conditions in recent years, including a period of drought followed by record-level precipitation, which resulted in related severe flooding and mudslides in certain regions. As of March 17, 2026, the U.S. Drought Monitor indicates that the State is classified as experiencing mostly no drought conditions with some abnormally dry conditions in the northern part of the State, with the County experiencing no drought conditions at this time.

During 2021, the Governor of the State proclaimed a drought state of emergency for all counties in the State, culminating with an October 19, 2021, proclamation, urging Californians to step up their water conservation efforts. In January 2022, the State Water Board adopted emergency regulations aimed at saving water and raising drought awareness, with prohibitions focused on reducing outdoor water use, enforceable by local agencies and the State Water Board, generally with warning letters, mandatory water use audits, and fines. In January 2023, the State Water Board adopted its first five-year temporary groundwater recharge permit, in addition to adopting new statewide sanitary sewer orders and appointing eleven members to the Advisory Group on Safe Drinking Water Funding. Local agencies can impose and enforce their own drought conservation rules.

Climate Change. In addition to the events described above, climate change caused by human activities may have adverse effects on the assessed value of property within the District. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, many scientists expect that climate change will intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods, heat waves, and rising sea levels. Projections of the impact of global climate change are complex and depend on a variety of factors outside of the District's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the District is unable to forecast with certainty when or if adverse impacts of climate change will occur or the extent of such impacts.

Public Health Emergencies. In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020, the World Health Organization announced the official name for the outbreak of the disease known as COVID-19 (“**COVID-19**”), an upper respiratory tract illness, that spread across the world and materially impacted the global economy. While the national and global health emergencies have passed, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the District’s operations and finances. In addition, the District cannot predict whether future pandemics will occur and whether any such pandemics may impact its finances or operations. As of this date, several vaccines have been provided approval by federal health authorities and are widely available, and both the national emergency and state of emergency have officially ended, and the World Health Organization declared an end to the COVID-19 global health emergency.

Assessed Valuation by Jurisdiction. The table below shows the assessed valuation by jurisdiction of properties within the District.

**FRUITVALE SCHOOL DISTRICT
Assessed Valuation by Jurisdiction
Fiscal Year 2025-26**

<u>Jurisdiction:</u>	<u>Assessed Valuation in School District</u>	<u>% of School District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in School District</u>
City of Bakersfield	\$3,297,163,252	72.93%	\$44,219,824,836	7.46%
Unincorporated Kern County	<u>1,223,998,592</u>	<u>27.07</u>	64,387,853,755	1.90
Total District	\$4,521,161,844	100.00%		
Kern County	\$4,521,161,844	100.00%	\$124,368,109,073	3.64%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of property in the District, as measured by assessed valuation and the number of parcels for fiscal year 2025-26. As shown, the majority of the District's assessed valuation is represented by residential property.

FRUITVALE SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2025-26

	2025-26	% of	No. of	% of
	Assessed Valuation ⁽¹⁾	Total	Parcels	Total
Non-Residential:				
Commercial/Office	\$1,255,622,165	29.65%	552	7.24%
Vacant Commercial	3,894,876	0.09	50	0.66
Industrial	941,116,111	22.23	415	5.44
Vacant Industrial	27,783,818	0.66	42	0.55
Recreational	7,201,730	0.17	11	0.14
Miscellaneous	2,715,203	0.06	8	0.10
Government/Institutional	224,090	0.01	329	4.32
Subtotal Non-Residential	<u>\$2,238,557,993</u>	52.87%	1,407	18.45%
Residential:				
Single Family Residence	\$1,569,156,052	37.06%	5,309	69.64%
Condominium/Townhouse	40,295,265	0.95	212	2.78
Mobile Home	2,669,353	0.06	114	1.50
Mobile Home Park	9,947,114	0.23	4	0.05
2-4 Residential Units	139,025,077	3.28	263	3.45
5+ Residential Units/Apartments	156,926,957	3.71	163	2.14
Vacant Residential	77,597,839	1.83	152	1.99
Subtotal Residential	<u>\$1,995,617,657</u>	47.13%	6,217	81.55%
Total	\$4,234,175,650	100.00%	7,624	100.00%

(1) Local secured assessed valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Residential Parcels. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District for fiscal year 2025-26, including the median and average assessed value of single-family parcels in the District.

FRUITVALE SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2025-26

	No. of Parcels	2025-26 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	5,309	\$1,569,156,052	\$295,565	\$279,074

2025-26 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$24,999	12	0.226%	0.226%	\$ 164,132	0.010%	0.010%
\$25,000 - \$49,999	19	0.358	0.584	763,556	0.049	0.059
\$50,000 - \$74,999	27	0.509	1.092	1,697,166	0.108	0.167
\$75,000 - \$99,999	35	0.659	1.752	3,153,017	0.201	0.368
\$100,000 - \$124,999	40	0.753	2.505	4,564,559	0.291	0.659
\$125,000 - \$149,999	99	1.865	4.370	13,735,612	0.875	1.534
\$150,000 - \$174,999	289	5.444	9.814	47,401,400	3.021	4.555
\$175,000 - \$199,999	468	8.815	18.629	88,230,960	5.623	10.178
\$200,000 - \$224,999	485	9.135	27.764	102,832,058	6.553	16.731
\$225,000 - \$249,999	466	8.778	36.542	111,070,309	7.078	23.810
\$250,000 - \$274,999	591	11.132	47.674	155,258,648	9.894	33.704
\$275,000 - \$299,999	529	9.964	57.638	151,514,593	9.656	43.360
\$300,000 - \$324,999	372	7.007	64.645	116,090,589	7.398	50.758
\$325,000 - \$349,999	384	7.233	71.878	129,442,286	8.249	59.007
\$350,000 - \$374,999	381	7.176	79.054	137,837,563	8.784	67.792
\$375,000 - \$399,999	341	6.423	85.477	132,234,843	8.427	76.219
\$400,000 - \$424,999	220	4.144	89.621	90,586,882	5.773	81.992
\$425,000 - \$449,999	168	3.164	92.786	73,263,972	4.669	86.661
\$450,000 - \$474,999	120	2.260	95.046	55,389,108	3.530	90.191
\$475,000 - \$499,999	60	1.130	96.176	29,221,696	1.862	92.053
\$500,000 and greater	203	3.824	100.000	124,703,103	7.947	100.000
	5,309	100.000%		\$1,569,156,052	100.000%	

(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Reassessments and Appeals of Assessed Value

There are general means by which assessed values can be reassessed or appealed that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution" in APPENDIX A.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed

because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values, adjusted for inflation, when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Proposition 8 reductions may also be unilaterally applied by the County Assessor. The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or by reductions initiated by the County Assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds, if any) may be paid.

Tax Rates

Below are historical typical tax rates in a typical tax rate area within the District for fiscal years 2021-22 through 2025-26.

FRUITVALE SCHOOL DISTRICT
Typical Total Tax Rates of Assessed Valuation
(Tax Rate Area 1-221)⁽¹⁾
Dollars per \$100 of Assessed Valuation
Fiscal Years 2021-22 through 2025-26

	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
General Tax Rate	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
Kern County Water Agency	.079056	.076791	.071830	.060725	.052224
Fruitvale School District	.050334	.044468	.040092	.037065	.044127
Kern High School District	.041744	.043914	.035837	.044379	.043065
Kern Community College District SRID	.014041	.009021	.010220	.009842	.010708
Kern Community College District SFID	.024568	.022222	.024041	.023417	.020859
Total Tax Rate	\$1.209743	\$1.196416	\$1.182020	\$1.175428	\$1.170983

(1) 2025-26 assessed valuation of TRA 1-221 is \$919,473,446, which is 20.34% of the District's total assessed valuation.

Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

The District's total secured tax collections and delinquencies are apportioned on a County-wide basis according to the District's designated tax rate amount. Therefore, the total secured tax levies, as well as collections and delinquencies reported, do not represent the actual secured tax levies, collections and delinquencies of tax payers within the tax areas of the District. In addition,

the District's total secured tax levy does not include special assessments, supplemental taxes or other charges which have been assessed on property within the District or other tax rate areas of the County.

The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**") as provided for in the State Revenue and Taxation Code, which requires the County to pay 100% of secured property taxes due to local agencies in the fiscal year such taxes are due. Under these provisions, each county operating under the Teeter Plan establishes a delinquency reserve and assumes responsibility for all secured delinquencies, assuming that certain conditions are met.

Because of this method of tax collection, the K-12 districts located in counties operating under the Teeter Plan and participating in the Teeter Plan are assured of 100% collection of their secured tax levies if the conditions established under the applicable county's Teeter Plan are met. However, such districts are no longer entitled to share in any penalties due on delinquent payments or in the interest which accrues on delinquent payments.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors has received a petition for its discontinuance joined in by resolutions adopted by two thirds of the participating revenue districts in the County, in which event the Board of Supervisors is required to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The District is not aware of any plan for the discontinuation of the Teeter Plan in the County.

The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event that the Teeter Plan was terminated, the amount of the levy of *ad valorem* taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

So long as the Teeter Plan remains in effect with respect to the District, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County.

The District cannot provide any assurances that the County will continue to maintain the Teeter Plan described above, or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster.

Notwithstanding the above, the table below shows secured tax charge and delinquency rates for fiscal years 2020-21 through 2024-25.

FRUITVALE SCHOOL DISTRICT
Secured Tax Charges and Delinquency Rates⁽¹⁾
Fiscal Years 2020-21 through 2024-25

Fiscal Year	Secured Tax Charge⁽²⁾	Amount Delinquent June 30	Percent Delinquent June 30
2020-21	\$2,056,048.27	\$37,395.55	1.82%
2021-22	1,891,776.01	14,276.81	0.75
2022-23	1,851,743.94	18,720.58	1.01
2023-24	1,923,532.92	30,134.71	1.57
2024-25	1,951,370.37	134,352.61	6.89

(1) Kern County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the county retaining all penalties and interest.

(2) District's general obligation bond debt service levy.

Source: California Municipal Statistics, Inc.

FRUITVALE SCHOOL DISTRICT
Secured Tax Charges and Delinquency Rates⁽¹⁾
Fiscal Years 2020-21 through 2024-25

Fiscal Year	Secured Tax Charge⁽²⁾	Amount Delinquent June 30	Percent Delinquent June 30
2020-21	\$4,628,743.09	\$58,909.97	1.27%
2021-22	4,711,505.41	61,740.09	1.31
2022-23	5,140,521.09	79,034.73	1.54
2023-24	5,736,618.02	87,420.29	1.52
2024-25	6,083,407.59	158,848.74	2.61

(1) Kern County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the county retaining all penalties and interest.

(2) 1% general fund apportionment.

Source: California Municipal Statistics, Inc.

Top 20 Property Owners

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2025-26. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below. A large concentration of ownership in a single individual or entity results in a greater amount of tax collections which are dependent upon that property owner's ability or willingness to pay property taxes.

FRUITVALE SCHOOL DISTRICT Top 20 Secured Property Taxpayers Fiscal Year 2025-26

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2025-26 Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1.	Alon Bakersfield Property Inc.	Refinery	\$ 491,188,640	11.60%
2.	Ensign United States Drilling (CA) Inc.	Industrial	104,625,593	2.47
3.	Meany Partners LLC	Apartments	69,449,454	1.64
4.	BLC Glenwood Gardens AL LP	Skilled Nursing Facility	46,989,784	1.11
5.	Rosedale Bakersfield Retail VI LLC	Commercial	35,244,191	0.83
6.	Tricor Energy LLC	Oil & Gas Production	35,035,920	0.83
7.	Riverlakes Station LLC	Shopping Center	28,098,831	0.66
8.	Northwest Target LLC	Commercial	26,856,564	0.63
9.	Camp-Tenneco	Shopping Center	26,032,514	0.61
10.	Foxcreek Properties LLC	Shopping Center	24,675,331	0.58
11.	Bakersfield MP RK6 LP	Medical Building	21,974,432	0.52
12.	Plaza at Riverlakes Partners LLC	Commercial	20,852,042	0.49
13.	Northwest Promenade LLC	Commercial	19,979,715	0.47
14.	Riverlakes Prop LLC	Apartments	19,603,683	0.46
15.	Bakersfield Scenic River LLC	Apartments	18,193,698	0.43
16.	Winco Foods LLC	Commercial	17,861,541	0.42
17.	Hopper Prop LP	Commercial	17,704,377	0.42
18.	Easiness LP	Motel	17,623,680	0.42
19.	Target Corporation	Commercial	17,141,181	0.40
20.	Brighton Hotel Dev LLC	Hotel	16,268,323	0.38
			<u>\$1,075,399,494</u>	<u>25.40%</u>

(1) 2025-26 local secured assessed valuation: \$4,234,175,650.

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. for debt issued as of April 1, 2026. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

**FRUITVALE SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
(Debt Issued as of April 1, 2026)**

2025-26 Assessed Valuation: \$4,521,161,844

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 4/1/26</u>
Kern Community College District School Facilities Improvement District No. 1	3.636%	\$12,512,930
Kern Community College District Safety & Repair Improvement District	3.659	2,619,866
Kern High School District	5.616	17,771,057
Fruitvale School District	100.000	30,339,490 ⁽¹⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$63,243,343
<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Kern County Certificates of Participation	3.635%	\$3,036,680
Kern County Pension Obligation Bonds	3.635	2,053,369
Kern County Board of Education Certificates of Participation	3.635	1,038,701
Kern Community College District Certificates of Participation	3.266	629,881
Kern Community College District Benefit Obligations	3.266	<u>2,252,397</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$9,011,028
COMBINED TOTAL DEBT		\$72,254,371 ⁽²⁾

Ratios to 2025-26 Assessed Valuation:

Direct Debt (\$30,339,490)	0.67%
Total Direct and Overlapping Tax and Assessment Debt.....	1.40%
Combined Total Debt.....	1.60%

(1) Excludes the Bonds offered for sale hereunder.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

BOND INSURANCE

The District has applied for bond insurance to guarantee the scheduled payment of principal of and interest on the Bonds and, if a commitment is issued to insure the Bonds, will determine prior to the sale of the Bonds whether to obtain such insurance.

TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall LLP, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for

purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Form of Opinion. A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX D.

CERTAIN LEGAL MATTERS

Legality for Investment

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors, and under provisions of the California Government Code, the Bonds are eligible to secure deposits of public moneys in California.

Absence of Material Litigation

No Litigation Regarding Bonds or Existence of District. No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* property taxes or to collect other revenues or (iii) contests the District's ability to issue and sell the Bonds.

Claims and Lawsuits Against Public School Districts Generally. The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District, including with respect to Assembly Bill 218 (“**AB 218**”). Enacted in 2020, AB 218 extended the statute of limitations for survivors of childhood sexual assault to file civil claims and introduced a three-year revival window for previously time-barred cases. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future, including but not limited to claims relating to health issues and pandemics, or claims that may be made available by future legislation.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall LLP, as Bond Counsel and Disclosure Counsel to the District, and Fieldman, Rolapp & Associates, Inc., as municipal advisor to the District, are contingent upon issuance of the Bonds.

MUNICIPAL ADVISOR

The District has retained Fieldman, Rolapp & Associates, Inc. (the “**Municipal Advisor**”), as municipal advisor in connection with the issuance and sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement or any of the other legal documents and, further, the Municipal Advisor does not assume any responsibility for the information, covenants and representations with respect to the federal income tax status of the Bonds, or the possible impact of any current, pending or future actions taken by any legislative or judicial bodies or rating agencies.

CONTINUING DISCLOSURE

The District will execute the Continuing Disclosure Certificate in connection with the issuance of the Bonds, and covenant therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (an “**Annual Report**”) to the Municipal Securities Rulemaking Board Electronic Municipal Market Access website (“**EMMA**”) not later than nine months after the end of the District’s fiscal year, commencing March 31, 2027, with the report for the 2025-26 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District on EMMA. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Certificate attached as APPENDIX E. These covenants have been made in order to assist the Purchaser of the Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “**Rule**”).

In order to assist it in complying with its undertakings pursuant to the Rule, including the undertaking to be entered into with respect to the Bonds, the District has engaged Fieldman, Rolapp & Associates, Inc., dba Applied Best Practices to serve as its dissemination agent.

Neither the County nor any other entity other than the District shall have any obligation or incur any liability with respect to the performance of the District’s duties regarding continuing disclosure. The County has not reviewed, nor is it responsible for, the content of this Official Statement.

RATING

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“**S&P**”) has assigned a rating of “AA-” to the Bonds. The District has provided certain additional information and materials to S&P (some of which has been determined not to be material to making an investment decision in the Bonds and does not appear in this Official Statement). Such rating reflects only the views of S&P and explanations of the significance of such rating may be obtained only from S&P. There is no assurance that any credit rating given to the Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by S&P if, in S&P’s judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

The District has covenanted in the Continuing Disclosure Certificate to file notices of any ratings changes on the Bonds on EMMA. See “APPENDIX E - FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to S&P and its website and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

COMPETITIVE SALE OF BONDS

The Bonds were sold pursuant to a competitive bidding process held on May 20th, 2026, pursuant to the terms set forth in an Official Notice of Sale with respect to the Bonds.

The Bonds were awarded to _____ (the "**Purchaser**"), whose proposal represented the lowest true interest cost for the Bonds as determined in accordance with the Official Notice of Sale. The Purchaser has agreed to purchase the Bonds at a price of \$_____, which is equal to the initial principal amount of the Bonds of \$_____ plus an original issue premium of \$_____, less a Purchaser's discount of \$_____. The Purchaser intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Purchaser may offer and sell to certain dealers and others at a price lower than the offering prices stated on the inside cover page hereof. The offering price may be changed from time to time by the Purchaser.

ADDITIONAL INFORMATION

The discussions herein about the Bond Resolution and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the District and, following delivery of the Bonds, will be on file at the office of the Paying Agent.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

**Preliminary; subject to change.*

EXECUTION

The execution and delivery of this Official Statement have been duly authorized by the District.

FRUITVALE SCHOOL DISTRICT

By: _____
Superintendent

APPENDIX A

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem property tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" in the forepart of the Official Statement.

GENERAL INFORMATION

The District encompasses a 10-square mile area in the northwestern area of the City of Bakersfield and unincorporated Kern County (the "**County**") in California (the "**State**"). Established in 1895, the District serves a population of approximately 21,300 residents and includes Columbia Elementary School, Discovery Elementary School, Endeavour Elementary School, Quailwood Elementary School and Fruitvale Junior High School. Total enrollment is approximately 2,961 students for the 2025-26 school year.

For more information regarding the District and its finances see APPENDIX B attached hereto. See also APPENDIX C hereto for demographic and other statistical information regarding the City of Bakersfield and the County.

District Governance and Administration

The District is governed by a five-member Board of Trustees (the "**Board**"), each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their office and the date their term expires, are listed below.

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Tina Stout	President	December 2026
Brian Burrow	Clerk	December 2026
Andrew Bransby	Member	December 2026
Stan Greene	Member	December 2028
Brenda Tremaine	Member	December 2026

Administrative Personnel. The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Leslie Garrison currently serves as the Superintendent of the District, and Rebecca Innis as the Chief Business Officer.

Employee Relations

The District has 186.59 full-time equivalent (“FTE”) certificated employees, 193.77 FTE classified employees, and 40.00 FTE management employees. Two unions represent the District employees as shown in the table below.

Employee Group	Bargaining Group	Contract Expiration Date
Certificated	Fruitvale Teachers’ Association	June 30, 2028
Classified	California School Employees’ Association	June 30, 2026

Source: *Fruitvale School District.*

Recent Enrollment Trends

The following table shows a recent history and budgeted enrollment for the District.

**ANNUAL ENROLLMENT
Fiscal Years 2020-21 through 2025-26
Fruitvale School District**

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>% Change</u>
2020-21	3,055	--%
2021-22	3,063	0.3
2022-23	3,031	(1.0)
2023-24	3,078	1.6
2024-25	3,069	(0.3)
2025-26 ⁽¹⁾	2,961	(3.5)

(1) Budgeted.

Source: *California Department of Education; Fruitvale School District.*

FINANCIAL INFORMATION

Education Funding Generally

School districts in the State receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly impact a school district's revenues and operations.

The fiscal year 2013-14 State budget package replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the "**LCFF**"). Under the LCFF, school districts receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of average daily attendance ("**ADA**"), which varies with respect to different grade spans and are adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.
- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 65% (which was increased from 50% as part of the State's trailer bill to the 2021-22 State Budget - Assembly Bill 130) of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.
- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**")), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

In 2021, legislation was passed that requires school districts operating a kindergarten program to also provide a transitional kindergarten ("**TK**") program for all 4-year-old children by fiscal year 2025–26.

Funding levels used in the LCFF entitlement calculations for fiscal year 2025-26 are set forth in the following table.

**Fiscal Year 2025-26 Base Grant Funding* Under LCFF
by Grade Span**

Entitlement Factor	TK/K-3	4-6	7-8	9-12
A. 2024-25 Base Grant per ADA	\$10,025	\$10,177	\$10,478	\$12,144
B. 2025-26 COLA for LCFF (A x 2.30%)	\$231	\$234	\$241	\$279
C. 2025-26 Base Grant per ADA before Grade Span Adjustments (A+B)	\$10,256	\$10,411	\$10,719	\$12,423
D. Grade Span Adjustments (TK-3: C x 10.4%; 9-12: C x 2.6%)	\$1,067	n/a	n/a	\$323
E. 2025-26 Base Grant/Adjusted Base Grant per ADA (C + D)	\$11,323	\$10,411	\$10,719	\$12,746

*Add-ons to the Base Grant, as may be applicable, are: (1) Supplemental Grant: For the supplemental grant funding entitlement, for each grade span, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times Unduplicated Pupil Percentage, times 20%, (2) Concentration Grant: For the concentration grant funding entitlement, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times portion (of Unduplicated Pupil Percentage that exceeds 55%, times 65%, and (3) Transitional Kindergarten Add-On: For the TK add-on funding, the amount is the rate of \$5,545 times the school district's current year TK ADA.
Source: California Department of Education.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the State Budget for fiscal year 2013-14 created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system. When a school district's share of local property taxes exceeds its funding entitlement under LCFF, it is deemed a Basic Aid District and is entitled to keep its local property taxes in lieu of lower funding per ADA available under LCFF. The District is not a Basic Aid District.

District Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts. District accounting is organized on the basis of funds, with each group consisting of a separate accounting entity. The major fund classification is the general fund

which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30. For more information on the District's basis of accounting and fund accounting, see Note 1 of APPENDIX B to the Official Statement.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The Governmental Accounting Standards Board ("**GASB**") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting, (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iv) required supplementary information.

Financial Statements

General. The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. The District's audited financial statements for fiscal year 2024-25 were prepared by Linger, Peterson, & Shrum, Fresno, California, and are attached to the Official Statement as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Office of Chief Business Officer. The District has not requested, and the auditor has not provided, any review or update of such financial statements in connection with inclusion in this Official Statement.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the District for the fiscal years 2020-21 through 2024-25.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2020-21 through 2024-25 (Audited)
Fruitvale School District ⁽¹⁾

	<u>Audited</u> <u>2020-21</u>	<u>Audited</u> <u>2021-22</u>	<u>Audited</u> <u>2022-23</u>	<u>Audited</u> <u>2023-24</u>	<u>Audited</u> <u>2024-25</u>
<u>Revenues:</u>					
<u>LCFF Sources:</u>					
State Apportionment or State Aid	\$12,388,465	\$11,278,177	\$26,356,299	\$27,067,508	\$21,680,912
Education Protection Account Funds	11,249,469	13,633,241	2,483,223	4,512,157	10,260,971
Local Sources	4,614,842	5,212,181	5,390,714	5,739,478	6,514,977
Federal Revenues	3,837,993	3,540,618	3,562,086	2,630,947	1,436,980
State Revenues	3,712,305	5,633,470	10,610,172	7,760,674	6,462,248
Local Revenues	2,094,896	3,175,007	3,508,471	4,243,534	5,009,932
Total Revenues	37,897,970	42,472,694	51,910,965	51,954,298	51,366,020
<u>Expenditures:</u>					
Instruction	22,958,536	23,578,104	26,749,668	28,525,138	29,544,507
Instruction-Related Services	2,424,869	3,306,677	3,735,711	4,518,702	4,342,932
Pupil Services	2,713,291	3,352,319	4,235,528	4,667,750	4,850,856
Ancillary Services	--	--	--	--	--
Enterprise Services	3,736	132	19	239	--
General Administration	2,145,255	2,313,346	2,755,257	3,024,249	3,096,219
Plant services	3,747,582	4,408,637	5,551,819	5,690,353	6,006,795
Other Outgo	884,829	996,680	1,225,990	1,007,741	858,858
Capital Outlay	293,317	2,668,828	1,918,943	1,178,378	3,690,508
Debt Service - Principal	33,240	37,519	33,909	181,858	141,363
Debt Service - Interest	1,353	1,020	683	30,983	36,886
Total Expenditures	35,206,008	40,663,262	46,207,527	48,825,391	52,568,924
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,691,962	1,809,432	5,703,438	3,128,907	(1,202,904)
<u>Other Financing Sources (Uses)</u>					
Operating transfers in	--	--	--	--	--
Operating transfers out	--	--	--	--	--
Other sources	(1)	--	--	--	--
Total Other Financing Sources (Uses)	(1)	--	--	--	--
Net change in fund balance	2,691,961	1,809,432	5,703,438	3,128,907	(1,202,904)
Fund Balances July 1	10,353,256	13,045,217	14,854,649	20,558,087	23,786,803
Prior period adjustment	--	--	--	99,809	--
Fund balances beginning as adjusted	--	--	--	--	--
Fund Balances June 30	\$13,045,217	\$14,854,649	\$20,558,087	\$23,786,803	22,583,899

(1) Totals may not sum due to rounding.

Source: Audited financial statements of the District. Because the District is a Basic Aid District, the majority of LCFF funding is derived from local sources.

District Budget and Interim Financial Reporting

Budgeting and Interim Reporting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Kern County Superintendent of Schools (the "**County Superintendent**").

The County Superintendent must review and approve or disapprove the budget no later than September 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 ("**A.B. 1200**") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

District's Budget and Interim Certification History. During the past five years, each of the District's adopted budgets have been approved by the County Superintendent and the District has received positive certifications on all of its interim reports.

District's General Fund. The following table shows the general fund figures for fiscal year 2025-26 (adopted budget and second interim projections).

FRUITVALE SCHOOL DISTRICT
Revenues, Expenditures, and Changes in General Fund Balance
Fiscal Year 2025-26 (Adopted Budget and Second Interim Projections)

<u>Revenues</u>	<u>Adopted Budget 2025-26</u>	<u>Second Interim 2025-26</u>
Total LCFF Sources	\$40,369,362	\$40,782,438
Federal Revenues	1,368,143	1,575,207
Other state revenues	6,479,966	9,600,743
Other local revenues	3,901,196	7,197,514
Total Revenues	<u>52,118,667</u>	<u>59,155,902</u>
 <u>Expenditures</u>		
Certificated Salaries	19,518,785	20,004,611
Classified Salaries	7,647,625	8,362,083
Employee Benefits	14,042,397	14,519,553
Books and Supplies	3,318,494	3,548,621
Services and Other Operating Expenditures	6,596,039	6,967,787
Capital Outlay	1,549,086	6,797,372
Other Outgo (excluding transfers of indirect costs)	1,003,325	1,052,642
Other Outgo	(47,883)	(64,600)
Total Expenditures	<u>53,627,868</u>	<u>61,188,070</u>
Excess of Revenues Over/(Under) Expenditures	(1,509,201)	(2,032,168)
 <u>Other Financing Sources (Uses)</u>		
Operating transfers in	--	--
Operating transfers out	--	--
Other sources	--	--
Contributions	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>
Net change in fund balance	(1,509,201)	(2,032,168)
Fund Balance, July 1	<u>21,326,586</u>	<u>21,326,586</u>
Fund Balance, June 30 ⁽¹⁾	\$19,817,385	\$19,294,418

(1) Fund balances do not reflect all funds included in the District's general fund in the audited financial statements shown above.

Source: Fruitvale School District.

District Reserves. The District's ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 3% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future.

Under State law, there are certain restrictions on the amounts that can be held in reserve by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the

State’s Public School System Stabilization Account and is triggered in any fiscal year in which when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period, if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multi-year infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has not been triggered for fiscal year 2025-26.

Attendance - LCFF Funding

Funding Trends under LCFF. As described herein, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth recent LCFF funding per ADA for the District for fiscal years 2020-21 through 2025-26.

**FRUITVALE SCHOOL DISTRICT
ADA and LCFF Funding
Fiscal Years 2020-21 through 2025-26**

Fiscal Year	ADA	LCFF Funding Per ADA
2020-21	3,089	\$9,082
2021-22	3,097	9,730
2022-23	3,044	11,246
2023-24	2,963	12,589
2024-25	2,950	13,043
2025-26 ⁽¹⁾	2,931	13,912

⁽¹⁾ Second interim projection.
Source: Fruitvale School District.

District’s Unduplicated Student Count. Under LCFF, school districts are entitled to supplemental funding based on the unduplicated count of targeted students. The District’s percentage of unduplicated students is approximately 70% for purposes of calculating supplemental and concentration grant funding under LCFF. Recent federal deportation efforts may pose a risk to school districts relying on revenue from the LCFF. With the exception of community supported districts, school districts rely heavily on student attendance and enrollment, including Supplemental and Concentration Grant add-ons for serving a high percentage of English language learner and low income students. If undocumented students, or students who have parents or caretakers that are undocumented or have been granted temporary status, face deportation, districts may experience a decrease in student enrollment or ADA. The District cannot predict potential changes to enrollment or attendance in response to such deportation efforts.

Revenue Sources

The District categorizes its general fund revenues into four sources, being LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will amount to the difference between the District's LCFF funding entitlement and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

Under LCFF, a school district whose property tax revenues exceed its funding under the LCFF is entitled to keep its local property tax revenues which exceed its LCFF funding, maintaining its status as a Basic Aid District, now referred to as a "Community Supported District." For school districts that were Basic Aid prior to implementation of the LCFF, such districts are entitled to retain their status as Community Supported and keep their full local property tax revenue entitlement, provided that the per-pupil funding targets under LCFF, including economic recovery targets, are met or exceeded by local property tax revenues. The threshold for Community Supported status under the LCFF, however, is higher than under the prior funding formula, resulting in some districts falling out of Community Supported status as the result of the implementation of the LCFF. The District is not a Community Supported District. Accountability measures contained in the LCFF must be implemented by all districts, including Community Supported Districts.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under Every Student Succeeds Act, the Individuals with Disabilities Education Act, and specialized programs such as Drug Free Schools.

Since Donald Trump was sworn in as President in January 2025, the federal government has announced possible cuts to federal funding for educational agencies. In addition, President Trump has signed an executive order aimed at dismantling the federal Department of Education (the "DOE"), from which California school districts receive funding aimed at low-income and special needs students.

If reductions in funding, elimination of the DOE, or staff layoffs are upheld in whole or in part, the District cannot anticipate whether the amount of federal revenues in the District's general fund will be reduced, or the extent of any reduction, or whether any reduction would occur in the current or any future fiscal year. If federal revenues are delayed, rescinded, or withheld, the

District cannot predict whether such delay, rescission, or withdrawal will have a material effect on the finances or operations of the District.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's LCFF funding entitlement and its property tax revenues. In addition to such apportionment revenue, the District receives other State revenues.

The District receives State aid from the California State Lottery (the "**Lottery**"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Moreover, State Proposition 20 approved in March 2000 requires that 50% of the increase in Lottery revenues over 1997-98 levels must be restricted to use on instruction material.

For additional discussion of State aid to school districts, see "-Education Funding Generally."

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings, leases and rentals.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Purchaser.*

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. The plan is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. The benefit provisions and contribution amounts are established by State laws, as amended from time to time.

Prior to fiscal year 2014-15, contribution rates were constant and not subject to annual variations. K-14 school districts were required by statute to contribute 8.25% of eligible salary expenditures, and participants contributed 8% of their respective salaries. In September 2013, however, STRS projected that the plan would be depleted in 31 years if existing contribution rates continued and other actuarial assumptions were realized, largely due to significant investment losses.

Assembly Bill 1469 was adopted as part of the State's fiscal year 2014-15 budget ("**AB 1469**"), aimed at fully funding the unfunded actuarial obligation of STRS with respect to service credited to member of STRS prior to July 1, 2014, within 32 years, by increasing contribution rates of members, K-14 school district employers, and the State. Under AB 1469, employer contributions were proposed to steadily increase over seven years. However, several

modifications to the schedule were undertaken in connection with State budgets. Contribution rates for the past several years are summarized in the following table:

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2021 through July 1, 2025

<u>Effective Date</u>	<u>Employer Contribution Rate</u>
July 1, 2021	16.92%
July 1, 2022	19.10
July 1, 2023	19.10
July 1, 2024	19.10
July 1, 2025	19.10

Source: STRS.

The State also continues to contribute to STRS, and its contribution rate is 8.328% in fiscal year 2025-26.

The District’s recent contributions to STRS including the current budgeted fiscal year are set forth in the following table. These contributions represent 100% of the required contribution for each year.

STRS CONTRIBUTIONS
Fruitvale School District
Fiscal Years 2020-21 through 2025-26

<u>Fiscal Year</u>	<u>Amount</u>
2020-21	\$2,423,351
2021-22	2,649,394
2022-23	3,319,860
2023-24	3,543,657
2024-25	3,640,899
2025-26 ⁽¹⁾	3,790,552

(1) Second interim projection.
Source: Fruitvale School District.

The STRS defined benefit program continues to have an unfunded actuarial liability estimated at approximately \$88.7 billion, based on a market value of assets, as of June 30, 2024, which is the date of the last actuarial valuation.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the “Schools Pool.” Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, employers are required to contribute an amount based on an actuarially determined employer rate, and employees make contributions which vary based on their date of hire.

Like the STRS program, PERS has experienced an unfunded liability in recent years. To address this issue, the PERS board has taken a number of actions, including changes to the

PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates and adopting changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy incrementally lowering its discount rate (its assumed rate of investment return) in years of good investment returns, to help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. SB 90, and Assembly Bill 84/Senate Bill 111 (“**AB 84**”) of June 2020, directed contributions of \$430 million and \$330 million in satisfaction of portions of employer contribution rates in fiscal years 2020-21 and 2021-22, respectively. Recent employer contribution rates are set forth in the following table.

**EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2020-21 through 2025-26**

Fiscal Year	Employer Contribution Rate⁽¹⁾
2020-21	20.700%
2021-22	22.910
2022-23	25.370
2023-24	26.680
2024-25	27.050
2025-26	26.810

(1) Expressed as a percentage of covered payroll.
Source: PERS

The District’s employer contributions to PERS for recent fiscal years are set forth in the following table.

**PERS EMPLOYER CONTRIBUTIONS
Fruitvale School District
Fiscal Years 2020-21 through 2025-26**

Fiscal Year	Amount
2020-21	\$872,902
2021-22	1,120,521
2022-23	1,522,703
2023-24	1,859,391
2024-25	1,995,194
2025-26 ⁽¹⁾	2,415,441

(1) Second interim projection.
Source: Fruitvale School District.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately \$40.8 billion, based on a market value of assets, as of June 30, 2024, which is the date of the last actuarial valuation.

California Public Employees’ Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees’ Pension Reform Act of 2013 (“**PEPRA**”), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined

based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer's current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

Additional Information - STRS and PERS. Additional information regarding the District's retirement programs is available in Note 8 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Purchaser for accuracy or completeness.*

Other Post-Employment Retirement Benefits

Plan Description. The District provides certain postemployment healthcare benefits ("OPEB") to all employees who retire from the District on or after attaining age 55, with at least 13 years of service for certificated employees hired before fiscal year 1985-86 and others hired

before fiscal year 1989-90. The District pays 100% of the medical insurance premium until age 65. The amount paid by the District will be the same prorated percentage as was paid for the employee at the time of retirement. Certificated and administrative employees who are at least 55 years of age and who have 20 or more years of service will have their premiums paid for life. Membership of the OPEB plan consists of 26 retirees and beneficiaries currently receiving benefits and 223 active plan members.

Assumed Asset Allocation. The OPEB plan is associated with a trust. The assumed asset allocation of the plan's portfolio and the long-term expected rates of return are as follows.

**Assumed Asset Allocation
Fruitvale School District**

Asset Class	Assumed Allocation
Cash / money market	2.32%
Fixed income	19.06
Large cap securities	30.29
Mid cap securities	3.43
Small cap securities	10.67
International securities	9.34
Commodities / natural resources	3.14
Emerging market securities	2.98
Other	18.77
	100.00%

Source: Fruitvale School District.

Benefits Provided. The OPEB Plan provides medical insurance benefits through the Self-Insured Schools of California. For specific benefits provided and eligibility requirements for the benefits, see “APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDING JUNE 30, 2025 - Note 10- Postemployment Benefits other than Pension Benefits.”

Contributions. The benefit payment requirements of the Plan members and the District are established and may be amended by the District. The actuarially determined contribution is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District. For measurement period of June 30, 2025, the District paid \$297,775 in benefits. The District actuarially determined contributions to the trust is determined using a contribution allocated procedure. Employees are not required to contribute to the OPEB plan.

Actuarial Assumptions and Other Inputs. The District’s net OPEB liability of \$5,427,269 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified: inflation 2.50%, salary increases 2.75% per year, discount rate 5.41%, and healthcare cost trend rates 4.00% per year. The discount rate was based on an index of 20-year general obligation municipal bonds. Mortality rates were based on the 2017 CalPERS Active Mortality for Miscellaneous and School Employees Table.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as of June 30, 2025, is shown in the following table:

**CHANGES IN TOTAL OPEB LIABILITY
Fruitvale School District**

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024	\$5,761,625	\$381,559	\$5,380,066
Changes for the Year:			
Service Cost	171,913	--	171,913
Interest	286,940	34,460	252,480
Assumption changes	(186,885)	--	(186,885)
Experience gains/losses	95,319	--	95,319
Benefit payments	(286,018)	(286,018)	--
Net changes	81,269	34,066	47,203
Balance at June 30, 2025	<u>\$5,842,894</u>	<u>\$415,625</u>	<u>\$5,427,269</u>

Source: Fruitvale School District Audit Report.

There were no changes in benefit terms for the fiscal year ended June 30, 2025. The interest assumption changed from 5.03% to 5.41%. There were no changes to any other inputs or assumptions.

OPEB Expense. For the year ended June 30, 2025, the District recognized an OPEB expense of \$55,485.

For more information regarding the District’s OPEB and assumptions used in its most recent actuarial study, see Note 10 of Appendix B to the Official Statement.

Insurance – Joint Powers Agreement

The District participates in four joint ventures under joint powers agreements with the following joint powers authorities (“**JPA**s”): Schools Legal Services (legal services), Self-Insured Schools of California I, Self-Insured Schools of California II and Self-Insured Schools of California III. The relationship between the District and the JPA’s is such that the JPA’s are not component units of the District for financial reporting purposes.

The JPAs provide insurance and services as noted for member school districts. Each JPA is governed by a board consisting of a representative from each member district. Such governing board controls the operations of its JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond representation on the governing board. Each JPA is independently accountable for its fiscal matters, and maintains its own accounting records. Separately issued financial statements can be requested from each JPA.

For more information regarding the District’s membership in JPAs, see Note 13 of APPENDIX B to the Official Statement.

Disclaimer Regarding Cyber Risks

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. No assurance can be given that the District’s current efforts to manage cyber threats and security will, in all cases, be successful.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third-party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

Existing Debt Obligations

General Obligation Bonds. The District has voter-approved general obligation bonds which have been issued pursuant to the authority obtained from voters at elections in past years, which are secured by *ad valorem* property taxes levied and collected in the District. The following table shows the outstanding general obligation bonded debt of the District.

**SUMMARY OF OUTSTANDING GENERAL OBLIGATION BONDS*
Fruitvale School District**

Dated Date	Series	Outstanding as of April 1, 2026
11/13/2008	General Obligation Bonds, Election of 2006, Series B	\$914,490
11/04/2011	2011 General Obligation Refunding Bonds	155,000
10/29/2015	2015 General Obligation Refunding Bonds	8,650,000
02/01/2018	General Obligation Bonds, Election of 2016, Series A	6,470,000
05/28/2020	General Obligation Bonds, Election of 2016, Series B	14,150,000
Total		\$30,339,490

*Does not include the Bonds offered for sale in the Official Statement.
Source: *The District; the Municipal Advisor.*

See “DEBT SERVICE SCHEDULES” in the body of this Official Statement for the annual debt service requirements of the District’s outstanding bonds.

Leases. The District has leasing arrangements outstanding at year end with an implied interest rate of 4.0%. Variable payments not included in the measurement of the leases are estimated by the District and payable upon lease expiration. The following is a schedule of the future minimum lease payments required under the lease:

**Fruitvale School District
Schedule of Lease Payments**

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$150,902	\$32,280	\$183,182
2027	156,156	22,093	178,249
2028	166,836	11,412	178,248
TOTAL	\$473,894	\$65,785	\$539,679

Source: Fruitvale School District.

Compensated Absences. Compensated absences (unpaid employee vacation and sick leave) for the District at June 30, 2025, amounted to \$2,476,691.

Investment of District Funds

In accordance with California Government Code Sections 53600 *et seq.*, the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the California Government Code. See APPENDIX G to the Official Statement for the County’s current investment policy and recent investment report.

Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts generally receive the majority of their operating revenues from various State sources. The primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes (see “– Education Funding Generally” above). State funds typically make up the majority of a district’s LCFF funding. School districts also receive funding from the State for some specialized programs such as special education.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS” below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding. See “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS.”

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

The information in this section concerning the State's budget or budgets has been compiled from publicly-available information provided by the State or the Legislative Analyst's Office (the "LAO"). Neither the District, the Purchaser nor the County is responsible for the information provided in this section.

State Funding of Education Generally

The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. The primary source of funding for school districts are revenues under the LCFF, which are a combination of State funds and local property taxes (see "FINANCIAL INFORMATION - Education Funding Generally" above). State funds typically make up the majority of a district's LCFF allocation, although Basic Aid school districts derive the majority of their revenues from local property taxes. School districts also receive substantial funding from the State for various categorical programs.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State's general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The State Budget Process

The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year. Under State law, the annual proposed State budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the State budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each house of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each house of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Resources Relating to State Budgets

Certain information about the State budgeting process and the State budget is available through several State sources. Convenient sources of information include:

- www.treasurer.ca.gov: The California State Treasurer internet home page, under the link to “Bond Finance” and sub-heading “-Public Finance Division”, includes links to recent State official statements and various State financial documents which includes information regarding State budgets and finances.
- www.dof.ca.gov: The California Department of Finance’s (the “**DOF**”) internet home page, under the link to “California Budget”, includes the text of proposed and adopted State Budgets.
- www.lao.ca.gov: The LAO’s internet home page includes a link to “-The Budget” which includes analyses and commentary on fiscal outlooks.

The above references to internet websites shown are shown for reference and convenience only. The information contained within the websites may include outdated information and has not been reviewed for accuracy by the District or the Purchaser. Such information is not incorporated herein by reference.

The 2025-26 State Budget

On June 27, 2025, the Governor signed the fiscal year 2025-26 State Budget (the “**2025-26 State Budget**”). Despite continued uncertainty driven by recent federal policy changes, including broad-based tariffs that have slowed economic growth, the 2025-26 State Budget outlines a balanced fiscal plan while maintaining significant reserves.

The 2025-26 State Budget reflects a decrease of \$11.0 billion in General Fund revenues from 2024-25 (\$215.7 billion in 2025-26 compared to \$226.7 billion in 2024-25) primarily due to projected decreases in corporation and personal income tax collections. The 2025-26 State Budget reflects a decrease in General Fund expenditures of \$5.2 billion from 2024-25 (\$228.366 billion in 2025-26 compared to \$233.5 billion in 2024-25) primarily reflecting broad spending decreases for all major spending categories with the exception of expenditures for health and human services, which sees a significant funding increase driven by the expansion of Medi-Cal.

Regarding the State’s reserves and fund balances, the 2025-26 State Budget continues the drawing down of the State’s Budget Stabilization account that began in fiscal year 2024-25 with a withdrawal of \$7.1 billion and completes the drawdown of the Public School System Stabilization Account with a withdrawal of the remaining \$0.4 billion.

The 2025-26 State Budget projects an \$11.8 billion General Fund shortfall after accounting for reserves drawdowns, driven by rising costs due to growth in Medi-Cal and other core State programs. The 2025-26 State Budget addresses the shortfall primarily through spending reductions and structural reforms, while maintaining support for key programs. The specific solutions used to close the budget gap include the following:

- *Medi-Cal Enrollment Freeze* - \$77.9 million reduction in fiscal year 2025-26, increasing to \$3.3 billion by fiscal year 2028-29.
- *Medi-Cal Premium Collection For Certain Adults* – Initial cost of \$30 million in fiscal year 2026-27, shifting to \$675 million in savings in fiscal year 2028-29 due to collection of Medi-Cal premiums from undocumented adults.
- *Medi-Cal Asset Limit Implementation* – \$61.3 million in fiscal year 2025-26, rising to \$827.4 million by fiscal year 2028-29.
- *Programmatic Reductions* – Reductions in rural health clinics, specialty drug coverage, and pharmacy rebates totaling over \$3.5 billion by fiscal year 2028-29.
- *Ongoing Reductions* – \$221.7 million annually beginning in fiscal year 2026-27 for Quality Incentive Payment Program changes.

The 2025-26 State Budget raises an estimated \$7.8 billion in additional resources, including \$1.3 billion from Medi-Cal rate increase in fiscal year 2025-26, \$4.4 billion in loans from the Medical Providers Interim Payment Fund, \$1.5 billion in loans from additional special funds and interfund borrowing, and a \$7.1 billion withdrawal from the Budget Stabilization Account, as authorized by the prior fiscal year.

Additional balancing measures comprise \$1.2 billion in funding shifts primarily related to the costs of CalFIRE operations moving from the General Fund to the Greenhouse Reduction Fund for Forestry and Fire Protection. The 2025-26 State Budget also makes two future commitments (subject to appropriation) totaling \$457.1 million in fiscal year 2027-28, growing to \$163.2 million in fiscal year 2028-29, for California Food Assistance Program expansion and \$338.9 million in fiscal year 2027-28, growing to \$522.1 million in fiscal year 2028-29, for payment to the State’s foster care tiered rate structure.

The 2025-26 State Budget projects total resources available in fiscal year 2024-25 of approximately \$268.7 billion, including revenues and transfers of approximately \$226.7 billion and a prior year balance of approximately \$42.0 billion, and total expenditures in fiscal year 2024-25 of approximately \$233.6 billion. The 2025-26 State Budget projects total resources available for fiscal year 2025-26 of approximately \$250.9 billion, inclusive of revenues and transfers of approximately \$215.7 billion and a prior year balance of approximately \$35.1 billion. The 2025-26 State Budget projects total expenditures in fiscal year 2025-26 of approximately \$228.4 billion, inclusive of non-Proposition 98 expenditures of approximately \$147.6 billion and Proposition 98 expenditures of approximately \$80.7 billion. The 2025-26 State Budget projects total reserve balances of \$15.7 billion at the end of fiscal year 2025-26. This includes \$11.2 billion in the State Rainy Day Fund, \$4.5 billion in the State’s SFEU, and \$0 in the Proposition 98 Rainy Day Fund. The 2025-26 State Budget includes total funding of \$137.6 billion for all K-12 education programs, including \$80.5 billion from the State’s general fund and \$57.1 billion from other funds. The 2025-26 State Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the LCFF, special education, transitional kindergarten, nutrition, and preschool.

Certain budgeted programs and adjustments for K-12 education set forth in the 2025-26 State Budget include:

Proposition 98 Minimum Guarantee. The 2025-26 State Budget reflects updated estimates of general fund revenues, which result in adjustments to the Proposition 98 minimum guarantee. The revised minimum guarantee for TK-14 schools is estimated

at \$98.5 billion for 2023-24, \$119.9 billion for 2024-25, and \$114.6 billion for 2025-26, an increase of approximately \$3.9 billion over the three-year period relative to the 2023-24 State Budget. Because the minimum guarantee for 2024-25 will not be finalized until the fiscal year is certified in calendar year 2026, the 2025-26 State Budget proactively appropriates the 2024-25 minimum guarantee at \$118 billion, establishing a \$1.9 billion “settle up” to avoid over-appropriation. The 2025-26 State Budget expresses intent to apply any realized settle-up funds toward reducing ongoing TK-14 deferrals and safeguarding core program funding for school districts and community colleges, including funding for growth and cost-of-living adjustments.

The minimum guarantee remains in a Test 2 for 2023-24, though suspended at \$98.5 billion, and shifts to a Test 1 in both 2024-25 and 2025-26. In Test 1 years, the guarantee equals approximately 40 percent of general fund revenues, in addition to local property tax revenues. Under Proposition 98, this calculation is not adjusted for enrollment, which results in increased per-pupil funding. The guarantee is “rebenched” to reflect both the continued implementation of universal TK and property tax backfills resulting from the January 2025 wildfires in Los Angeles County. As a result, the applicable Test 1 percentage increases from 39.2 percent to 39.6 percent of general fund revenues.

Proposition 98 Rainy Day Fund. The 2025-26 State Budget maintains the full withdrawal of the \$8.4 billion balance in the Proposition 98 Rainy Day Fund in fiscal year 2023-24. The May Revision to the 2024-25 State Budget Proposal, released on May 10, 2024, included a mandatory deposit of \$540 million into the Rainy Day Fund. However, revised capital gains revenue projections reduce that deposit to \$455 million in fiscal year 2024-25. A year-over-year decrease in the Proposition 98 minimum guarantee triggers a mandatory withdrawal of \$455 million in fiscal year 2025-26, fully exhausting the remaining fund balance.

Proposition 98 Funding Split. In prior years, 10.93 percent of the general fund amounts rebenched into the Proposition 98 minimum guarantee for transitional kindergarten expansion were allocated to the community colleges budget, consistent with the statutory Proposition 98 funding split. Over the three-year budget window, this resulted in \$492.4 million being directed to community colleges, leaving TK-12 schools without an equivalent amount to support transitional kindergarten expansion. Beginning in fiscal year 2025-26, the 2025-26 State Budget shifts the full amount of transitional kindergarten expansion funding (\$232.9 million) to the TK-12 portion of the Proposition 98 budget.

Local Control Funding Formula. The 2025-26 State Budget includes a 2.3 percent cost-of-living adjustment to LCFF. Combined with population growth adjustments, this results in an additional \$2.1 billion in discretionary funding for local educational agencies (“LEAs”) relative to the 2024-25 State Budget. To fully fund LCFF costs in fiscal year 2025-26, the 2025-26 State Budget withdraws approximately \$405.3 million from the Proposition 98 Rainy Day Fund.

Deferrals. The 2025-26 State Budget fully repays \$246.6 million in TK-12 education deferrals from fiscal year 2024-25. However, in order to maintain principal apportionment levels in 2025-26, the 2025-26 State Budget defers \$1.9 billion in LCFF funding from June 2026 to July 2026.

Universal Transitional Kindergarten. To support full implementation of universal transitional kindergarten by September 1, 2025, the 2025-26 State Budget provides \$2.1

billion in ongoing Proposition 98 general fund resources, inclusive of all prior years' investments. An additional \$1.2 billion in ongoing Proposition 98 general fund resources is included to reduce the average student-to-adult ratio from 12:1 to 10:1.

Before School, After School, and Summer School. To increase access to the Expanded Learning Opportunities Program, the 2025-26 State Budget provides \$515.1 million in ongoing funds, broadening eligibility from LEAs with a 75 percent unduplicated pupil rate to those with a 55 percent rate. Additionally, \$10.4 million is provided to increase the minimum grant per LEA from \$50,000 to \$100,000.

Literacy Instruction. The 2025-26 State Budget allocates \$480 million to enhance literacy instruction aligned with the English Language Arts/English Language Development Framework for all students.

Teacher Professional Development and Preparation. To support teachers and strengthen the educator pipeline, the 2025-26 State Budget provides \$300 million in one-time Proposition 98 general fund resources for a Student Teacher Stipend Program, which will offer grants to teacher candidates completing student teaching between 2026-27 and 2028-29. An additional \$70 million of one-time Proposition 98 general fund resources supports teacher residency programs, and \$30 million in one-time Proposition 98 general fund resources extends the National Board Certification Incentive Program to encourage placement of certified teachers in high-poverty schools.

Student Support and Professional Development Discretionary Block Grant. The 2025-26 State Budget provides \$1.7 billion in one-time Proposition 98 general fund resources for the Student Support and Professional Development Discretionary Block Grant to assist LEAs with rising costs and advancing statewide priorities.

State Preschool Program. To enhance early childhood education, the 2025-26 State Budget includes approximately \$19.3 million of Proposition 98 general fund resources and \$10.2 million in non-Proposition 98 general fund resources for the California State Preschool Program. It further authorizes the Department of Education to expand State Preschool Program provider contracts for three-year-olds by 10 percent, implement prospective pay, and automate contract payments.

Other Significant Budget Adjustments. The 2025-26 State Budget includes \$378.6 million in one-time Proposition 98 general fund resources for learning recovery initiatives through 2027-28, \$150 million for career technical education and pathways programs pending legislation, and \$145 to improve school meal infrastructure. An additional \$10 million is allocated for school food service workforce requirement and \$5 million for a study of ultra-processed foods offered in State school meals.

Further allocations include \$30 million over three years for Special Olympics programs in Northern and Southern California; \$30 million for the Mathematics Professional Learning Partnership; \$21.9 million in ongoing funding for the SUN Bucks Program, which provides summer nutrition support; and \$20 million to implement the Children and Youth Behavioral Health Initiative's all-payer fee schedule.

The 2025-26 State Budget also provides approximately \$10 million for a pilot program, administered by the California Collaborative of Educational Excellence, to support middle and high school redesign and peer learning. Another \$10 million to the California Department of Education supports the development of a screener to identify multilingual

learners in transitional kindergarten and authorizes the State Superintendent of Public Instruction to adopt a screening instrument for children ages 3-4 enrolled in transitional kindergarten classrooms. Finally, \$7.5 million is available through the 2026-27 fiscal year to offset potential LCFF apportionment reductions caused by the recent exemption of transitional kindergarten students from the English language proficiency assessment.

LAO Analysis of the 2025-26 State Budget. The LAO, a nonpartisan State office which provides fiscal and policy information and advice to the State legislature, released its report on the 2025-26 State Budget on October 16, 2025 (the “**2025-26 State Budget Analysis**”). In the 2025-26 State Budget Analysis, the LAO assesses the budget shortfall that was addressed in the 2025-26 State Budget and analyzes the major proposals for K-14 education.

The LAO notes that the State faced a budget shortfall for the third year in a row. The estimated budget shortfall for the fiscal year 2025-26 of \$15.0 billion was smaller compared to deficits of \$55.0 billion in fiscal year 2024-25 and \$27.0 billion in fiscal year 2023-24. Most of the reason that the State faces a budget problem is that the underlying costs of State services continue to outpace the State’s revenue collections. In particular, despite higher revenues in major taxes, about \$4 billion of the budget problem results from new, discretionary General Fund spending in the budget package, as well as some budget actions adopted in a special session. The measures approved in the special session provided funding for (1) response and recovery costs related to the January 2025 Southern California wildfires and (2) activities to address federal government actions impacting the State.

The LAO notes that the 2025-26 State Budget uses various maneuvers to address the budget shortfall, including reserve withdrawals, spending reductions, revenue increases, and borrowing (for example, loaning money from other funds to the General Fund). However, the LAO indicates that the 2025-26 State Budget primarily relies on borrowing to close the gap, which accounts for \$10.0 billion and approximately two-thirds of the total solutions. This borrowing increases the total outstanding budgetary borrowing from \$12.0 billion to \$22.0 billion. The LAO notes that this borrowing is similar to the measures used during the Great Recession. After borrowing, spending-related solutions, including both spending reductions and fund shifts, total \$5.0 billion and represent nearly all of the remaining one-third of the total solutions. Revenue-related solutions, totaling about \$300.0 million, represent the small remainder. The LAO notes that while the State is also making a \$7.1 billion withdrawal from the State Rainy Day Fund in fiscal year 2025-26, this withdrawal was not reflected in the 2025-26 State Budget Analysis because it was authorized in the 2024-25 State Budget.

The LAO explains that while it had previously categorized the Proposition 98 “Settle Up” as a spending delay, it now views this action as borrowing. While the estimate for the Proposition 98 minimum guarantee is up nearly \$4.7 billion from the June 2024 level, the 2025-26 State Budget appropriates just over \$2.7 billion in additional funding for that year. Funding schools and community colleges at this level—\$1.9 billion below the estimate of minimum requirement—provides temporary savings but requires the State to settle up using future revenues. The State will finalize its calculation of this obligation in May 2026. The LAO notes that while the 2025-26 State Budget partially addresses the State’s multi-year deficits, it expects budget deficits to persist. Based on the State’s June 2025 projections and assumptions, annual operating deficits are projected to range from roughly \$15 billion to \$25 billion throughout the outlook period (i.e., 2026-27 through 2028-29), which would need to be addressed by the Legislature. The LAO notes, however, that these multi-year estimates are subject to considerable uncertainty and should be interpreted cautiously.

In summarizing the overall condition of the General Fund budget, the condition of the school and community college budget and State appropriations limits, as estimated by the administration, the LAO notes the following: (1) the State's reserves total nearly \$16 billion at the end of fiscal year 2025-26, with the state reserve for schools and community colleges fully withdrawn by the end of fiscal year 2025-26; (2) the State expects revenues from major tax sources to grow 10.0% from fiscal year 2023-24 to fiscal year 2024-25, however the 2025-26 State Budget also projects revenues from said tax sources to decrease by 15.0% from fiscal year 2024-25 to fiscal year 2025-26; and (3) federal funding is expected to remain flat between 2024-25 and 2025-26 but the 2025-26 State Budget projections do not include any potential effects of House Resolution 1: One Big Beautiful Bill Act, which was signed by President Trump on July 4, 2025.

The LAO explains that the 2025-26 State Budget provides \$2.2 billion to cover 2.30% cost-of-living adjustment for existing school and community college programs. For schools, the 2025-26 State Budget also provides an ongoing increase of \$607 million for the Expanded Learning Opportunities Program, funding before and after school activities and summer enrichment. This augmentation will increase the share of districts qualifying for the program's higher "tier 1" funding rate. For community colleges, the 2025-26 State Budget also provides \$140.0 million to cover 2.35% enrollment growth across fiscal years 2024-25 and 2025-26.

The LAO notes that the 2025-26 State Budget provides \$1.7 billion for the Student Support and Professional Development Discretionary Block Grant. Districts can use these funds for any local purpose, but trailer legislation encourages them to prioritize teacher training and professional development, teacher recruitment and retention, career pathways for high school students, and dual enrollment programs. The State will distribute funds on an equal per-pupil basis (about \$312.0 per student). For community colleges, the 2025-26 State Budget provides \$60.0 million for the Student Support Block Grant. Districts can use these funds for a range of student services, including basic needs (such as food, housing, and transportation), financial aid, counseling, and job placement activities. The State will allocate funds based on student headcount and the share of students qualifying for fee waivers or nonresident tuition exemptions, with a minimum grant of \$150,000.00 per college in each district. In addition to these discretionary grants, the 2025-26 State Budget funds several smaller grants for schools related to learning recovery, teacher training and recruitment, school meals, and career technical education. It also funds several smaller grants for community colleges focusing on other student support initiatives and career technical education.

The LAO indicates that the 2025-26 State Budget reduces spending in fiscal year 2025-26 by deferring \$2.3 billion in payments to fiscal year 2026-27. Of this amount, \$1.9 billion pertains to schools. The State will implement the school deferral by shifting a portion of the June 2026 payment to July 2026. The law exempts districts and charter schools that can demonstrate the delay would make them unable to meet their financial obligations. The remaining \$408.0 million in deferrals pertains to community colleges. The purpose of these deferrals is to free up funding for additional one-time and ongoing spending that would otherwise exceed the available Proposition 98 funding in fiscal year 2025-26.

Additional Information. The 2025-26 State Budget Analysis is available on the LAO website at www.lao.ca.gov. For the full text of the 2025-26 State Budget, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

The 2026-27 State Budget Proposal

On January 9, 2026, the Governor submitted the fiscal year 2026-27 state budget proposal to the Legislature (the “**2026-27 State Budget Proposal**”). The 2026-27 State Budget Proposal presents a balanced budget, including a discretionary reserve of \$4.5 billion, but projects a deficit of approximately \$22 billion in fiscal year 2027-28 and additional shortfalls in the two years thereafter. General Fund revenues over the three-year budget window of fiscal years 2024-25 through 2026-27 are projected to be more than \$42 billion higher than was assumed in the 2024-25 State Budget, an increase driven by stronger-than-anticipated stock market performance, higher cash receipts, and an improved economic outlook. However, the proposal cautions that much of this revenue growth is attributable to a relatively small number of technology companies and therefore is subject to significant volatility and unlikely to be sustained indefinitely. The proposal also identifies federal policy changes as a material risk to its revenue projections. In particular, House of Representatives Bill 1 of 2025 is projected to increase General Fund costs by approximately \$1.4 billion in fiscal year 2026-27, largely related to Medi-Cal and CalFresh programs. The 2026-27 State Budget Proposal further notes uncertainty associated with future federal policies affecting tariffs, immigration, inflation, investment activity, labor markets, and overall economic demand.

The 2026-27 State Budget Proposal provides for \$248.3 billion in General Fund expenditures and nearly \$23 billion in combined reserves, including approximately \$14.4 billion in the State’s Proposition 98 Rainy Day Fund, \$4.5 billion in the Special Fund for Economic Uncertainties, and \$4.1 billion in the Public School System Stabilization Account. While balanced for fiscal year 2026-27, the 2026-27 State Budget Proposal anticipates that expenditures will exceed revenues in future years, requiring additional budget actions at the May Revision to maintain a structural balance in the coming years. Key fiscal risk factors include stock market and asset price volatility and declines, particularly among high-income taxpayers, and continued uncertainty in federal policy.

With respect to K-12 education, the 2026-27 State Budget Proposal sets Proposition 98 funding for K-14 education at \$125.5 billion for fiscal year 2026-27, subject to settle-up adjustments. Additionally, the proposal includes an LCFF cost-of-living adjustment of 2.41% and proposes repayment of approximately \$1.9 billion in previous funding deferrals to improve school district cash flow. The proposal further reflects continued support for universal transitional kindergarten and ongoing before-, during-, and after-school programming through the Expanded Learning Opportunities Program. The 2026-27 State Budget Proposal also allocates an additional \$215 million to expand the Literacy Coaches and Reading Specialists Grant Program.

Significantly, the 2026-27 State Budget Proposal recommends governance changes to strengthen coordination across California’s education system. Consistent with recommendations in the Legislature’s 2002 report, “California’s Master Plan for Education,” the proposal would amend the Education Code to move oversight authority of the California Department of Education and support of local educational agencies under the State Board of Education, in addition to enhancing the State Superintendent of Public Instruction’s ability to improve alignment and coordination across the bodies setting policy from early childhood through postsecondary education.

The Governor’s May Revision, expected in mid-May 2026, will update the proposal to reflect revised economic conditions, revenue estimates, outlooks and other estimates and assumptions, and may modify or eliminate policy initiatives included in the 2026-27 State Budget Proposal.

For the full text of the 2026-27 State Budget Proposal, see the California Department of Finance website at www.dof.ca.gov or www.ebudget.ca.gov. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

LAO Analysis of the 2026-27 State Budget Proposal. The LAO released its overview and initial analysis of the 2026-27 State Budget Proposal on January 10, 2026 (the “**2026-27 LAO Analysis**”). The 2026-27 LAO Analysis concludes that, under the Governor’s assumptions, the budget is roughly balanced, reflecting an estimated deficit of approximately \$3 billion. This represents an improvement compared with the LAO’s November Fiscal Outlook, which projected a budget deficit of approximately \$18 billion. The LAO attributes the State’s substantially higher revenue forecast to two factors: first, the proposal does not incorporate the significant risk of a stock market downturn; and second, higher projected revenues are partially offset by increased baseline spending, including constitutionally required expenditures and growing program costs.

The LAO identifies stock market volatility as the most significant risk to the State’s revenue outlook. The analysis notes that several historically reliable indicators suggest equity markets are overheated and at elevated risk of a downturn within the next year or two. A market correction would materially reduce personal income tax revenues and could quickly worsen the State’s fiscal position. The LAO cautions that failing to incorporate this downside risk into the 2026-27 State Budget Proposal places the State on precarious fiscal footing, particularly given that the proposal is only marginally balanced even under optimistic revenue assumptions.

Both the 2026-27 LAO Analysis and the 2026-27 State Budget Proposal project persistent multiyear operating deficits. The LAO estimates that annual deficits could range between approximately \$20 billion to \$35 billion, while the 2026-27 State Budget Proposal projects operating deficits of roughly \$27 billion in 2027-28, \$22 billion in 2028-29, and \$23 billion in 2029-30. The LAO characterizes these deficits as structural rather than cyclical, noting that deficits have persisted despite economic growth and rising revenue in addition to the State already addressing a cumulative \$125 billion in budget problems over recent years. The LAO expresses concern that the State’s fiscal challenges have become chronic and raise significant questions concerning long-term fiscal sustainability.

The LAO acknowledges that the State recognizes the risks associated with revenue volatility and multiyear structural deficits, but concludes that the 2026-27 State Budget Proposal does not materially address either challenge. The LAO recommends that the Legislature explicitly recognize downside revenue risk by adopting the LAO’s more conservative revenue forecast, maintain required reserve deposits, set aside funds associated with delayed settle-up obligations into reserves rather than using them for ongoing commitments, and adopt a multiyear plan to reduce at least half of projected structural deficits through ongoing budget solutions. The LAO cautions that delaying corrective action until further budget cycles increases fiscal risk and limits the Legislature’s ability to implement deliberate and sustainable solutions.

The 2026-27 LAO Analysis is available on the LAO website at www.lao.ca.gov. *The reference to this Internet website is shown for reference and convenience only and the information contained on such website is not incorporated by reference into this Official Statement. The information contained on this website may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2025-26 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Purchaser or the owners of the Bonds to provide State Budget information to the District or the owners of the Bonds. Although the sources of information provided herein are known to be reliable, neither the District nor the Purchaser assumes any responsibility for the accuracy of the budget information set forth or referred to in this Official Statement or incorporated herein.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory provisions relating to education funding in the State has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto, and how such events could impact the District and its finances.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIII A and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIII A of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIII A to the State Constitution ("**Article XIII A**"). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) (as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for the payment of the Bonds falls within the exception described in (iii) of the immediately preceding sentence. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIII A.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home’s taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIII A, when the assessor tried to “recapture” the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The SBE has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year’s assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the “recapture” provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Article XIII B of the California Constitution

Article XIII B (“**Article XIII B**”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from

certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("**unitary property**"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Articles XIII C and XIII D of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIII C and XIII D (respectively, "**Article XIII C**" and "**Article XIII D**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIII C establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIII C to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and

which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIB

surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "**first test**") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to *per capita* personal income) and enrollment (the "**second test**"). Under Proposition 111, schools will receive the

greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California *per capita* personal income (the “**third test**”). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a “credit” to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as “**Proposition 39**”) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. Constitutional amendments may be changed only with another statewide vote. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by Proposition 39 are K-12 school districts including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary school district or high school district), or \$25 (for a community college district), per \$100,000 of taxable property value. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain

conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the “Local Taxpayer, Public Safety, and Transportation Protection Act of 2010,” approved on November 2, 2010, superseded many of the provisions of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State’s authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as “**Proposition 30**”), temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013, to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,000 for single filers (over \$500,000 but less than \$600,000 for joint filers), (ii) 2% for taxable income over \$300,000 but less than \$500,000 for single filers (over \$600,000 but less than \$1,000,000 for joint filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers).

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See “Proposition 98” and “Proposition 111” above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “**EPA**”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children’s Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016, general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030, instead of the scheduled expiration date of December 31, 2018. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax increases of Proposition 30.

Proposition 2

Proposition 2, also known as The Rainy Day Budget Stabilization Fund Act (“**Proposition 2**”) was approved by California voters on November 4, 2014. Proposition 2 triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election. Proposition 2 provides for changes to State budgeting practices, including revisions to certain conditions under which transfers are made into and from the BSA established by the California Balanced Budget Act of 2004 (also known as Proposition 58). Commencing in fiscal year 2015-16 and for each fiscal year thereafter, the State is required to make an annual transfer to the BSA in an amount equal to 1.5% of estimated State general fund revenues (the “Annual Stabilization Account Transfer”). For a fiscal year in which the estimated State general fund revenues allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues, supplemental transfers to the BSA (a “**Supplemental Stabilization Account Transfer**”) are also required. Such excess capital gains taxes, which are net of any portion thereof owed to K-14 school districts pursuant to Proposition 98, are required to be transferred to the BSA.

In addition, for each fiscal year, Proposition 2 increases the maximum size of the BSA to 10% of estimated State general fund revenues. Such excess amounts are to be expended on State infrastructure, including deferred maintenance, in any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold. For the period from fiscal year 2015-16 through fiscal year 2029-30, Proposition 2 requires that half of any such transfer to the BSA (annual or supplemental), shall be appropriated to reduce certain State liabilities, including repaying State interfund borrowing, reimbursing local governments for State mandated services, making certain payments owed to K-14 school districts, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. After fiscal year 2029-30, the Governor and the Legislature are given discretion to apply up to half of any required

transfer to the BSA to the reduction of such State liabilities and any amount not so applied shall be transferred to the BSA or applied to infrastructure, as set forth above.

Accordingly, the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the BSA are impacted by Proposition 2. Unilateral discretion to suspend transfers to the BSA are not retained by the Governor. Neither does the Legislature retain discretion to transfer funds from the BSA for any reason, as was previously provided by law. Instead, the Governor must declare a “budget emergency” (defined as an emergency within the meaning of Article XIII B of the Constitution) or a determination that estimated resources are inadequate to fund State general fund expenditure, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years, and any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA, unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also provides for the creation of a Public School System Stabilization Account (the “**Public School System Stabilization Account**”) into which transfers will be made in any fiscal year in which a Supplemental Stabilization Account Transfer is required, requiring that such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to school districts and community college districts as part of the minimum funding guarantee. Transfers to the Public School System Stabilization Account are only to be made if certain additional conditions are met, including that: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a Public School System Stabilization Account transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a Public School System Stabilization Account transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a Public School System Stabilization Account transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Under Proposition 2, the size of the Public School System Stabilization Account is capped at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Any reductions to a required transfer to, or draws upon, the Public School System Stabilization Account, are subject to the budget emergency requirements as described above. However, in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living, Proposition 2 also mandates draws on the Public School System Stabilization Account. The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year’s deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year’s deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the “Public School System Stabilization Account”) to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (“**Proposition 19**”), which amended Article XIII A to (i) expand as of April 1, 2021 special rules that govern the transfer of a residential property’s tax base value to a replacement residence for homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home anywhere within the State, (ii) narrow as of February 16, 2021 existing special rules for the valuation of inherited real property due to a transfer between family members, and (iii) allocate most resulting State revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes. The District cannot predict whether the implementation of Proposition 19 will increase, decrease or have no overall impact on the District’s assessed values.

Proposition 2 (2024)

The Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair and Safety Bond Act of 2024 (also known as Proposition 2 and referred to herein as “**Proposition 2 (2024)**”) is a voter initiative that was approved by voters on November 5, 2024. Proposition 2 (2024) authorizes the sale and issuance of \$10 billion in general obligation bonds for the repair, upgrade, and construction of facilities at K-12 public schools (including charter schools), community colleges, and career technical education programs, including for the improvement of health and safety conditions and classroom upgrades.

K-12 School Facilities. Proposition 2 (2024) includes \$3.3 billion for the new construction of K-12 facilities and an additional \$4 billion for the modernization of existing K-12 facilities, up to 10% of each allocated amount to be reserved for small school districts with an enrollment of fewer than 2,501 students. Of the \$4 billion available in modernization funds, up to \$115 million is available to be used for reducing lead levels in water at school facilities. Generally, K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. However, some school districts that have lower assessed property values and meet certain other socio-economic criteria will be required to pay as low as 45% and 35% of new construction costs and modernization costs, respectively. In addition, a total of \$1.2 billion will be available for the modernization and new construction of charter school (\$600 million) and technical education (\$600 million) facilities. The State will award funds to career technical education and charter schools through an application process, and charter schools must be deemed financially sound before project approval.

The District makes no guarantees that it will either pursue or qualify for Proposition 2 (2024) State facilities funding

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 98, 111, 22, 26, 30, 39 and 55 were each adopted as measures that qualified for the ballot under the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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APPENDIX B

**FRUITVALE SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024-25**

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Fruitvale Elementary School District
County of Kern
Bakersfield, California
June 30, 2025

Independent Auditor's Report
and Financial Statements



Fruitvale Elementary School District
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Independent Auditor's Report

To the Board of Trustees
Fruitvale Elementary School District
Bakersfield, California 93308

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Fruitvale Elementary School District ("the District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fruitvale Elementary School District as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability, schedule of District pension contributions, and schedule of changes in the District's OPEB liability and related ratios, identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fruitvale Elementary School District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2, *Code of Federal Regulations, Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F—Audit Requirements (Uniform Guidance), and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis as required by the State's audit guide, *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* prescribed in Title 5, California Code of Regulations, Section 19810 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Local Education Agency Organization Structure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025 on our consideration of Fruitvale Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fruitvale Elementary School District's internal control over financial reporting and compliance.

Respectfully submitted,



Linger, Peterson & Shrum
Fresno, California
December 9, 2025

FRUITVALE SCHOOL DISTRICT

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Bakersfield, CA 93308
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www.fruitvale.k12.ca.us

FRUITVALE ELEMENTARY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2025

This section of Fruitvale Elementary School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2025.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999.

Financial Highlights:

- The District has been able to meet all of the current financial needs. Also, the District did not have to make a transfer from reserves to meet the required 3% unrestricted reserve for economic uncertainties in the General Fund.
- The District decreased its general obligations bonds (including accreted interest) by \$1,052,915.

Overview of the Financial Statements:

This annual report consists of three parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, and the Supplementary Information.

The Basic Financial Statements include two kinds of statements that present different views of the District:

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the District-wide statements.
- The governmental fund statements tell how basic services like regular and special education were financed in the short-term, as well as what remains for future spending.

Board of Trustees: Andrew Bransby . Stan Greene . William Jager . Tina Stout . Richard Traynor
Leslie Garrison, Superintendent . Kim Carlson, Assistant Superintendent

National Blue Ribbon School Awards Recipient . California Distinguished Schools Awards Recipient

District-Wide Statements:

The District-wide financial statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two District-wide financial statements report the District's net position. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position will be an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional non-financial factors such as the condition of school buildings and other facilities.

District-wide financial statements include the governmental activities, which include the basic services such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements:

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes.

Financial Analysis of the District as a Whole:

Net Position

The District's combined net position was \$22,816,219 at June 30, 2025 and \$18,513,143 at June 30, 2024. The table below identifies the total assets, total liabilities, and the total net position as of June 30, 2025 and 2024.

	Fiscal Year Ended June 30, 2025			Fiscal Year Ended June 30, 2024			Percentage Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
Assets							
Current and other assets	\$ 43,106,926	\$ 446,410	\$ 43,553,336	\$ 38,953,733	\$ 323,015	\$ 39,276,748	10.89%
Capital assets	53,401,478	-	53,401,478	48,569,696	-	48,569,696	9.95%
Total Assets	<u>\$ 96,508,404</u>	<u>\$ 446,410</u>	<u>\$ 96,954,814</u>	<u>\$ 87,523,429</u>	<u>\$ 323,015</u>	<u>\$ 87,846,444</u>	10.37%
Deferred Outflows of Resources	<u>\$ 11,828,362</u>	<u>\$ -</u>	<u>\$ 11,828,362</u>	<u>\$ 11,904,608</u>	<u>\$ -</u>	<u>\$ 11,904,608</u>	-0.64%
Liabilities							
Current liabilities	\$ 8,860,515	\$ 2,678	\$ 8,863,193	\$ 2,299,326	\$ 4,896	\$ 2,304,222	284.65%
Long-term liabilities	72,232,136	-	72,232,136	74,865,913	-	74,865,913	-3.52%
Total Liabilities	<u>\$ 81,092,651</u>	<u>\$ 2,678</u>	<u>\$ 81,095,329</u>	<u>\$ 77,165,239</u>	<u>\$ 4,896</u>	<u>\$ 77,170,135</u>	5.09%
Deferred Inflows of Resources	<u>\$ 4,871,628</u>	<u>\$ -</u>	<u>\$ 4,871,628</u>	<u>\$ 4,067,774</u>	<u>\$ -</u>	<u>\$ 4,067,774</u>	19.76%
Net Position							
Net investment in capital assets	\$ 19,355,373	\$ -	\$ 19,355,373	\$ 13,476,603	\$ -	\$ 13,476,603	43.62%
Restricted	18,149,501	-	18,149,501	21,745,463	-	21,745,463	-16.54%
Unrestricted	(15,132,387)	443,732	(14,688,655)	(17,027,042)	318,119	(16,708,923)	-12.09%
Total Net Position	<u>\$ 22,372,487</u>	<u>\$ 443,732</u>	<u>\$ 22,816,219</u>	<u>\$ 18,195,024</u>	<u>\$ 318,119</u>	<u>\$ 18,513,143</u>	23.24%

Changes in Net Position

The table below identifies the net position beginning balances, the revenues and expenses for the current and prior year, and the end of the year net position. For the year 2024-25, General Revenues account for most of the District's revenue. The next largest revenue source is from operating grants and contributions. Expenses are identified using different categories.

	Fiscal Year Ended June 30, 2025			Fiscal Year Ended June 30, 2024			Percentage Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
Revenues							
Program revenues:							
Charges for services	\$ 269,965	\$ -	\$ 269,965	\$ 10,839	\$ -	\$ 10,839	2390.68%
Operating grants and contributions	13,389,501	-	13,389,501	15,540,622	-	15,540,622	-13.84%
General revenues:							
LCFF sources	38,456,860	-	38,456,860	37,319,143	-	37,319,143	3.05%
State revenues	2,192,101	-	2,192,101	3,851,854	-	3,851,854	-43.09%
Local revenues	5,780,463	825,764	6,606,227	2,650,944	825,665	3,476,609	90.02%
Total Revenues	<u>\$ 60,088,890</u>	<u>\$ 825,764</u>	<u>\$ 60,914,654</u>	<u>\$ 59,373,402</u>	<u>\$ 825,665</u>	<u>\$ 60,199,067</u>	1.19%
Expenses							
Program expenses:							
Instruction	\$ 28,927,372	\$ -	\$ 28,927,372	\$ 32,482,277	\$ -	\$ 32,482,277	-10.94%
Instruction-related services	4,166,514	-	4,166,514	4,999,011	-	4,999,011	-16.65%
Pupil services	7,245,736	-	7,245,736	7,017,594	-	7,017,594	3.25%
Ancillary services	154,340	-	154,340	132,710	-	132,710	16.30%
Community services	8,074	-	8,074	2,227	-	2,227	262.55%
Enterprise	11,228	700,151	711,379	51,013	-	51,013	1294.51%
General administration	3,270,042	-	3,270,042	3,310,090	686,514	3,996,604	-18.18%
Plant services	7,974,524	-	7,974,524	7,665,269	-	7,665,269	4.03%
Other	858,858	-	858,858	1,007,741	-	1,007,741	-14.77%
Interest on long-term obligations	1,395,143	-	1,395,143	1,552,103	-	1,552,103	-10.11%
Total Expenses	<u>\$ 54,011,831</u>	<u>\$ 700,151</u>	<u>\$ 54,711,982</u>	<u>\$ 58,220,035</u>	<u>\$ 686,514</u>	<u>\$ 58,906,549</u>	-7.12%
Changes in Net Position	<u>\$ 6,077,059</u>	<u>\$ 125,613</u>	<u>\$ 6,202,672</u>	<u>\$ 1,153,367</u>	<u>\$ 139,151</u>	<u>\$ 1,292,518</u>	379.89%

Statement of Governmental Activities

The table below presents the cost of the major District activities for the current and prior year: Instruction and Instruction-Related Services, School Site Administration, Pupil Services, General Administration, Plant Services, Community Services, Interest on Long-Term Debt, and Other Outgo. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on other sources of funding.

	2025		2024	
	<u>Total Cost of Services</u>	<u>Net Costs of Services</u>	<u>Total Cost of Services</u>	<u>Net Costs of Services</u>
Instruction	\$28,927,372	\$23,261,418	\$32,482,277	\$24,928,390
Instruction-related services	4,166,514	3,494,728	4,999,011	3,656,183
Pupil services	7,245,736	2,804,217	7,017,594	2,814,447
Ancillary services	154,340	(362)	132,710	(3,934)
Community services	8,074	8,074	2,227	2,227
Enterprise activities	11,228	11,228	51,013	51,013
General Administration	3,270,042	2,805,477	3,310,090	2,863,597
Plant Services	7,974,524	6,320,640	7,665,269	6,647,178
Other outgo	858,858	66,176	1,007,741	157,370
Interest on Long-Term Debt	<u>1,395,143</u>	<u>1,395,143</u>	<u>1,552,103</u>	<u>1,552,103</u>
Totals-Governmental Activities	54,011,831	40,166,739	58,220,035	42,668,574
Business-type activities	<u>700,151</u>	<u>700,151</u>	<u>686,514</u>	<u>686,514</u>
Totals	<u>\$54,711,982</u>	<u>\$40,866,890</u>	<u>\$58,906,549</u>	<u>\$43,355,088</u>

Financial Analysis of the District's Funds:

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$34,655,340.

Over the course of the year, the District’s General Fund budget was revised several times. These amendments fall into the following categories:

- Final amounts for State and Federal grants become available and budgets are revised mid-year.
- Budgets are revised when negotiations are completed.
- Final budget revisions are made to cover all areas of expenditures.

Capital Assets and Long-Term Debt:

Capital Assets

Since the first year of identifying capital assets, an appraiser was contracted to identify and assign a value to all capital assets. A new accounting system was set up to account for identified items. The District has established a \$5,000 threshold for identifying capital assets. Capital assets are categorized by land, buildings and improvements, equipment and work in progress. The table below presents these categories (at cost) and the amount associated with each one, less accumulated depreciation. The total capital assets for governmental activities as of June 30, 2025 were \$53,401,478.

	<u>2025</u>	<u>2024</u>	<u>Percentage Change</u>
Land	\$ 4,088,157	\$ 4,088,157	0.00%
Work-in-Progress	6,160,618	185,627	3218.82%
Land improvements	1,065,749	799,048	33.38%
Buildings	36,774,018	38,322,447	-4.04%
Leased assets	574,187	693,100	-17.16%
Equipment	4,738,749	4,481,317	5.74%
Total assets	<u>\$ 53,401,478</u>	<u>\$ 48,569,696</u>	9.95%

Long-Term Debt

At year-end, the District had \$2,476,691 outstanding in compensated absences payable, \$5,427,269 in net OPEB obligation, \$33,163,282 in general obligation bonds outstanding including accreted interest, and \$30,691,000 in net pension liability. This is a decrease of \$2,633,777 from last year, as shown in the table below.

	<u>2025</u>	<u>2024</u>	<u>Percentage Change</u>
General obligation bonds payable	\$ 31,320,302	\$ 32,232,434	-2.83%
Accreted interest	1,842,980	1,983,763	-7.10%
Other post-employment benefits payable	5,427,269	5,380,066	0.88%
Lease liability	473,894	615,257	-22.98%
Compensated absences payable	2,476,691	228,393	984.40%
Net pension liability	30,691,000	34,426,000	-10.85%
Total	<u>\$ 72,232,136</u>	<u>\$ 74,865,913</u>	-3.52%

Factors Bearing on the District's Future:

The District currently meets the required 3% reserve for economic uncertainties and will continue to meet the minimum reservation requirement per the District's Multiyear Projections. Enrollment estimates are projected to remain relatively flat in future periods.

Contacting the District's Financial Management:

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Fruitvale Elementary School District, Business Services Department, 7311 Rosedale Highway, Bakersfield, California 93308.

Basic Financial Statements

Fruitvale Elementary School District
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 37,761,326	\$ 443,515	\$ 38,204,841
Accounts receivable	3,272,975	2,895	3,275,870
Due from grantor governments	2,033,990	-	2,033,990
Stores inventories	38,635	-	38,635
Capital assets not depreciated	10,248,775	-	10,248,775
Capital assets, net of accumulated depreciation and amortization	43,152,703	-	43,152,703
Total assets	96,508,404	446,410	96,954,814
Deferred Outflows of Resources:			
Deferred outflows of resources - Pensions	10,716,360	-	10,716,360
Deferred outflows of resources - OPEB	1,112,002	-	1,112,002
Total deferred outflows of resources	11,828,362	-	11,828,362
Liabilities:			
Accounts payable	6,059,344	2,678	6,062,022
Due to grantor governments	2,649,474	-	2,649,474
Unearned revenue	151,697	-	151,697
Long-term liabilities			
Other than pensions and OPEB due within one year	1,477,911	-	1,477,911
Other than pensions and OPEB due after one year	34,635,956	-	34,635,956
Net pension liability	30,691,000	-	30,691,000
Other postemployment benefits liability (OPEB)	5,427,269	-	5,427,269
Total liabilities	81,092,651	2,678	81,095,329
Deferred Inflows of Resources:			
Deferred inflows of resources - Pensions	2,229,372	-	2,229,372
Deferred inflows of resources - OPEB	2,642,256	-	2,642,256
Total deferred inflows of resources	4,871,628	-	4,871,628
Net Position:			
Net investment in capital assets	19,355,373	-	19,355,373
Restricted for:			
Debt service	2,646,232	-	2,646,232
Capital projects	4,641,952	-	4,641,952
Other purposes	10,861,317	-	10,861,317
Unrestricted	(15,132,387)	443,732	(14,688,655)
Total net position	\$ 22,372,487	\$ 443,732	\$ 22,816,219

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:						
Governmental Activities:						
Instruction	\$ 28,927,372	\$ 15,299	\$ 5,650,655	\$ (23,261,418)		\$ (23,261,418)
Instruction-related services	4,166,514	-	671,786	(3,494,728)		(3,494,728)
Pupil services	7,245,736	248,314	4,193,205	(2,804,217)		(2,804,217)
Ancillary services	154,340	-	154,702	362		362
Community services	8,074	-	-	(8,074)		(8,074)
Enterprise	11,228	-	-	(11,228)		(11,228)
General administration	3,270,042	5,255	459,310	(2,805,477)		(2,805,477)
Plant services	7,974,524	1,097	1,467,161	(6,506,266)		(6,506,266)
Other outgo	858,858	-	792,682	(66,176)		(66,176)
Interest on long-term obligations	1,395,143	-	-	(1,395,143)		(1,395,143)
Total governmental activities	<u>54,011,831</u>	<u>269,965</u>	<u>13,389,501</u>	<u>(40,352,365)</u>		<u>(40,352,365)</u>
Business-type Activities:						
Enterprise activities	700,151	-	-	-	\$ (700,151)	(700,151)
Total business-type activities	<u>700,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(700,151)</u>	<u>(700,151)</u>
Total primary government	<u>\$ 54,711,982</u>	<u>\$ 269,965</u>	<u>\$ 13,389,501</u>	<u>(40,352,365)</u>	<u>(700,151)</u>	<u>(41,052,516)</u>
General Revenues:						
LCFF sources				38,456,860	-	38,456,860
State revenues				2,192,101	-	2,192,101
Local revenues				5,780,463	825,764	6,606,227
Total general revenues				<u>46,429,424</u>	<u>825,764</u>	<u>47,255,188</u>
Change in Net Position				6,077,059	125,613	6,202,672
Net Position - Beginning				18,195,024	318,119	18,513,143
Prior period adjustment				(1,899,596)	-	(1,899,596)
Net Position - Ending				<u>\$ 22,372,487</u>	<u>\$ 443,732</u>	<u>\$ 22,816,219</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Balance Sheet - Governmental Funds
June 30, 2025

	General Fund (Combined)	Special Reserve Fund for Capital Outlay Projects	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash in County Treasury	\$ 26,526,337	\$ 1,392,113	\$ 9,706,957	\$ 37,625,407
Cash on hand and in banks	-	-	125,719	125,719
Cash in revolving fund	10,000	-	200	10,200
Accounts receivable	477,837	1,758,917	1,036,221	3,272,975
Due from grantor governments	2,033,990	-	-	2,033,990
Due from other funds	103,243	127,272	84,578	315,093
Stores inventories	38,635	-	-	38,635
Total assets	<u>29,190,042</u>	<u>3,278,302</u>	<u>10,953,675</u>	<u>43,422,019</u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	\$ 3,778,007	\$ 1,768,250	\$ 104,158	\$ 5,650,415
Due to grantor governments	2,649,474	-	-	2,649,474
Due to other funds	26,965	57,613	230,515	315,093
Unearned revenue	151,697	-	-	151,697
Total liabilities	<u>6,606,143</u>	<u>1,825,863</u>	<u>334,673</u>	<u>8,766,679</u>
Fund Balance:				
Nonspendable fund balances:				
Revolving cash	10,000	-	200	10,200
Stores inventories	38,635	-	-	38,635
Restricted fund balances	7,530,699	-	10,618,802	18,149,501
Committed fund balances	9,000,000	-	-	9,000,000
Assigned fund balances	-	1,452,439	-	1,452,439
Unassigned:				
Reserve for economic uncertainty	5,970,092	-	-	5,970,092
Other unassigned	34,473	-	-	34,473
Total fund balance	<u>22,583,899</u>	<u>1,452,439</u>	<u>10,619,002</u>	<u>34,655,340</u>
Total liabilities and fund balances	<u>\$ 29,190,042</u>	<u>\$ 3,278,302</u>	<u>\$ 10,953,675</u>	<u>\$ 43,422,019</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
 Reconciliation of the Balance Sheet - Governmental Funds, to the Statement of Net Position
 June 30, 2025

Total Fund Balances - Balance Sheet, Governmental Funds	\$	34,655,340
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets		95,384,271
Accumulated depreciation/amortization		(41,982,793)
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable		(408,929)
General obligation bonds payable		(31,320,302)
Accreted interest		(1,842,980)
Other post-employment benefits payable (OPEB)		(5,427,269)
Net pension liability		(30,691,000)
Compensated absences payable		(2,476,691)
Leases payable		(473,894)
Deferred outflows and inflows of resources are not reported in the funds because they are applicable to future periods:		
Deferred outflows of resources related to pensions		10,716,360
Deferred inflows of resources related to pensions		(2,229,372)
Deferred outflows of resources related to OPEB		1,112,002
Deferred inflows of resources related to OPEB		(2,642,256)
Total Fund Balance of Governmental Activities - Statement of Net Position	\$	<u>22,372,487</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2025

	General Fund (Combined)	Special Reserve Fund for Capital Outlay Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
LCFF sources:				
State apportionment or State aid	\$ 21,680,912	\$ -	\$ -	\$ 21,680,912
Education protection account funds	10,260,971	-	-	10,260,971
Local sources	6,514,977	-	-	6,514,977
Federal revenue	1,436,980	-	1,431,630	2,868,610
Other State revenue	6,462,248	-	1,471,394	7,933,642
Other local revenue	5,009,932	2,021,955	2,802,805	9,834,692
Total revenues	<u>51,366,020</u>	<u>2,021,955</u>	<u>5,705,829</u>	<u>59,093,804</u>
Expenditures:				
Current:				
Instruction	29,544,507	-	-	29,544,507
Instruction-related services	4,342,932	-	-	4,342,932
Pupil services	4,850,856	-	1,964,236	6,815,092
Ancillary services	-	-	154,340	154,340
General administration	3,096,219	-	50,786	3,147,005
Plant services	6,006,795	-	9,476	6,016,271
Other outgo	858,858	-	-	858,858
Capital outlay	3,690,508	2,273,575	2,058,292	8,022,375
Debt service:				
Principal	141,363	-	912,132	1,053,495
Interest and other service charges	36,886	-	1,351,750	1,388,636
Total expenditures	<u>52,568,924</u>	<u>2,273,575</u>	<u>6,501,012</u>	<u>61,343,511</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,202,904)</u>	<u>(251,620)</u>	<u>(795,183)</u>	<u>(2,249,707)</u>
Other Financing Sources (Uses):				
Other uses	-	-	(10,999)	(10,999)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(10,999)</u>	<u>(10,999)</u>
Net Change in Fund Balance	<u>(1,202,904)</u>	<u>(251,620)</u>	<u>(806,182)</u>	<u>(2,260,706)</u>
Fund Balance, July 1	23,786,803	1,704,059	11,425,184	36,916,046
Fund Balance, June 30	<u>\$ 22,583,899</u>	<u>\$ 1,452,439</u>	<u>\$ 10,619,002</u>	<u>\$ 34,655,340</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental
 Funds, to the Statement of Activities
 Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ (2,260,706)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Expenditures for capital outlay	7,995,303
Depreciation and amortization expense	(3,163,521)

Governmental funds report repayments of long-term debt as expenditures. In the Government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were: 1,053,495

Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:

Change in accrued interest payable and accreted interest	(6,507)
Compensated absences	(348,702)
Other post-employment benefits cost in excess of contributions	55,485

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual basis pension costs and actual employer contributions was: 2,752,212

Change in Net Position of Governmental Activities - Statement of Activities	<u>\$ 6,077,059</u>
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The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
 Balance Sheet - Proprietary Funds
 June 30, 2025

	<u>Extended Day Class Fund</u>
Assets:	
Cash in County Treasury	\$ 443,515
Accounts receivable	<u>2,895</u>
Total assets	<u><u>446,410</u></u>
Liabilities and Fund Balance:	
Liabilities:	
Accounts payable	\$ <u>2,678</u>
Total liabilities	<u>2,678</u>
Fund Balance:	
Other unassigned	<u>443,732</u>
Total fund balance	<u>443,732</u>
Total liabilities and fund balances	<u><u>\$ 446,410</u></u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Proprietary Funds
Year Ended June 30, 2025

	<u>Extended Day Class Fund</u>
Revenues:	
Other local revenue	\$ 825,764
Total revenues	<u>825,764</u>
Expenditures:	
Current:	
Enterprise	<u>700,151</u>
Total expenditures	<u>700,151</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>125,613</u>
Net Change in Fund Balance	125,613
Fund Balance, July 1	<u>318,119</u>
Fund Balance, June 30	<u>\$ 443,732</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Statement of Cash Flows - Proprietary Funds
June 30, 2025

	Extended Day Class Fund
Cash Flows from Operating Activities:	
Cash received from customers	\$ 824,919
Cash payments to employees for services	(636,062)
Cash payments to other suppliers for goods and services	(66,307)
Net cash provided by operating activities	<u>122,550</u>
Net increase in cash and cash equivalents	122,550
Cash and cash equivalents at beginning of year	<u>320,965</u>
Cash and cash equivalents at end of year	<u><u>\$ 443,515</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 125,613
Adjustments to reconcile operating income to net cash	
Reconciliation of operating income to net cash provided by operating activities:	
Change in assets and liabilities	
Increase in receivables	(845)
Decrease in accounts payable	(2,218)
Total adjustments	<u>(3,063)</u>
Net cash provided by operating activities	<u><u>\$ 122,550</u></u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
 Balance Sheet - Fiduciary Funds
 June 30, 2025

	<u>Retiree Benefit Fund</u>
Assets:	
Investments	\$ 415,625
Total assets	<u>415,625</u>
Liabilities and Fund Balance:	
Liabilities:	
Total liabilities	<u>-</u>
Fund Balance:	
Restricted fund balances	415,625
Total fund balance	<u>415,625</u>
Total liabilities and fund balances	<u>\$ 415,625</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Statement of Revenues, Expenditures, and Changes in Fund Balances - Fiduciary Funds
Year Ended June 30, 2025

	<u>Retiree Benefit Fund</u>
Revenues:	
Other local revenue	\$ 34,460
Total revenues	<u>34,460</u>
Expenditures:	
Current:	
Enterprise	394
Total expenditures	<u>394</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,066</u>
Net Change in Fund Balance	34,066
Fund Balance, July 1	<u>381,559</u>
Fund Balance, June 30	<u>\$ 415,625</u>

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

Fruitvale Elementary School District (District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's "California School Accounting Manual." The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Reporting Entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

The District also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the District to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the District, its component units or its constituents; and 2) The District or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the District.

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB Statement.

Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function, excluding fiduciary funds, of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund. The General Fund, reported in these financial statements, includes the following Funds maintained by the District:

- Special Revenue Fund for Other Than Capital Outlay Projects (Fund 17)

Although funds listed above are separate funds authorized in the Education Code, they don't meet the definition of a Special Revenue Fund under accounting principles generally accepted in the United States of America, and have therefore been combined into the General Fund for financial reporting purposes. The beginning fund balances have also been combined.

Special Reserve Fund for Capital Projects is used to account for the accumulation and expenditure of funds for capital outlay purposes, as established by the Board in accordance with Education Code 42840 et seq.

The District reports the following nonmajor governmental funds:

Student Body Fund is used to account for revenues received and expenditures made related to student activity funds.

Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's cafeterias.

Building Fund is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

Capital Facilities Fund is used to account for resources received from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

County School Facilities Fund is used to account for the accumulation and expenditure of funds for projects funded under the Leroy F. Greene School Facilities Act of 1998, as established by the Board in accordance with Education Code 42840 et seq.

Bond Interest and Redemption Fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the interest and redemption of principal of bonds issued by the District.

The District reports the following major enterprise funds:

Enterprise Fund is financed and operated in a manner similar to that employed by private business enterprises; that is, the governing board's intent is that the costs of providing continuous goods or services can be through charges to users.

In addition, the District reports the following fund types:

Pension (and Other Employee Benefit) Trust Funds: These funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

Assets, Liabilities, and Equity

Deposits and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institutions is fully insured or collateralized.

In accordance with Education Code Section 41001, the District maintains substantially all its cash in the Kern County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds, except for the Tax Override Funds, in which interest earned is credited to the general fund. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or are collateralized.

Information regarding the amount of dollars invested in derivatives with Kern County Treasury was not available.

Stores Inventories and Prepaid Expenditures

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories are valued at average cost and consist of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure when incurred.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset Class	Examples	Estimated Useful Life in Years
Land		N/A
Site improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting	20
School buildings		50
Portable classrooms		25
HVAC systems	Heating, ventilation, air conditioning systems	20
Roofing		20
Interior construction		25
Carpet replacement		7
Electrical / plumbing		30
Sprinkler / fire system	Fire suppression systems	25
Outdoor equipment	Playground, radio towers, fuel tanks, pumps	20
Machinery and tools	Shop, maintenance equipment, tools	15
Kitchen equipment	Appliance	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Science and engineering	Lab equipment, scientific apparatus	10
Furniture and accessories	Classroom and other furniture	20
Business machines	Fax, duplicating, and printing equipment	10
Copiers		5
Communications equipment	Mobile, portable radios, noncomputerized	10
Computer hardware	PC's, printers, network hardware	5
Computer software	Instructional, other short-term	5 to 20
Computer software	Administrative or long-term	10 to 20
Audiovisual equipment	Projectors, cameras (still and digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Musical instruments	Pianos, strings, brass, percussion	10
Library books	Collections	5 to 7
Licensed vehicles	Buses, other on-road vehicles	8
Contractors' equipment	Major off-road vehicles, front-end loaders, large tractors, mobile air compressors	10
Grounds equipment	Mowers, tractors, attachments	15

Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current portion of the liabilities is recognized in the general fund at year end.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the Government-wide Statement of Activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

Amounts due to and due from other funds as of June 30, 2025, consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	\$ 103,243	\$ 26,965
Cafeteria Special Revenue Fund	466	103,243
Building Fund	84,112	127,272
Special Reserve Fund for Capital Outlay Projects	127,272	57,613
Total	<u>\$ 315,093</u>	<u>\$ 315,093</u>

Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Kern bills and collects the taxes for the District.

Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows.

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed" in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Deferred Inflows and Deferred Outflows of Resources

Deferred outflows of resources is a consumption of net assets or net position that is applicable to a future reporting period. Deferred inflows of resources is an acquisition of net assets or net position that is applicable to a future reporting period. Deferred outflows of resources and deferred inflows of resources are recorded in accordance with GASB Statement numbers 63 and 65.

GASB 54 Fund Presentation

Consistent with fund reporting requirements established by GASB Statement No. 54, Fund 17 (Special Reserve Fund for Other Than Capital Outlay) is merged with the General Fund for purposes of presentation in the audit report, if applicable.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS Schools Pool Cost-Sharing Multiple-Employer Plan (CalPERS Plan) and CalSTRS Schools Pool Cost-Sharing Multiple Employer Plan (CalSTRS Plan) and additions to/deductions from the CalPERS Plan and CalSTRS Plan's fiduciary net positions have been determined on the same basis as they are reported by the CalPERS Financial Office and CalSTRS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined time frames. For this report, the following time frames are used:

Valuation Date (VD) (STRS)	June 30, 2023
Valuation Date (VD) (PERS)	June 30, 2023
Measurement Date (MD)	June 30, 2024
Measurement Period (MP)	July 1, 2023 to June 30, 2024

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

- Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
- Level 2 Inputs: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs: Unobservable inputs for an asset or liability.

For the current fiscal year the District did not have any recurring or nonrecurring fair value measurements.

Excess Sick Leave

The District did not authorize or accrue any excess sick leave as that term is defined in subdivision (c) of Education Code Section 22170.5 for the District's employees who are members of the California State Teachers' Retirement System (CalSTRS).

Excess Expenditures Over Appropriations

As of June 30, 2025, expenditures exceeded appropriations in individual funds as follows:

Appropriations Category	Excess Expenditures
General Fund (Combined):	
Certificated Salaries	\$ 43,513

General Fund: The District incurred unanticipated expenditures for salaries.

Implementation of New Standards

The following Governmental Accounting Standards Board (GASB) statements are effective for the current fiscal year:

GASB Statement No. 101, Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave, not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, Certain Risk Disclosures

This Statement requires a government to assess whether a concentration or constraint as they relate to inflows and outflows of resources makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

Future Standards

The following Governmental Accounting Standards Board (GASB) statements are effective for future years:

GASB Statement No. 103, Financial Reporting Model Improvements

This Statement requires that the information presented in management's discussion and analysis (MD&A) be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, Disclosure of Certain Capital Assets

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Note 2 - Cash and Investments

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Kern County Treasury as part of the common investment pool (\$7,382,531,024 as of June 30, 2025). The fair value of the District's portion of this pool as of that date, as provided by the pool sponsor, was \$37,625,407. Assumptions made in determining the fair value of the pooled investment portfolios are available from the County Treasurer.

Cash on hand, in banks, and in revolving fund

Cash balances on hand and in banks (\$125,719 as of June 30, 2025) and in the revolving fund \$10,200 are insured up to \$250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

The District's cash and investments balances at June 30, 2025 are as follows:

	Fair Value
Cash in County Treasury	\$ 37,625,407
Cash on hand and in banks	125,719
Cash in revolving fund	10,200
Total cash and cash equivalents	<u>\$ 37,761,326</u>

Analysis of Specific Deposit and Investment Risks

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to significant credit risk.

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to significant custodial credit risk.

Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to significant concentration of credit risk.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant interest rate risk.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to significant foreign currency risk.

Investment Accounting Policy

The District is required by GASB Statement No. 31 to disclose its policy for determining which investments, if any, are reported at amortized cost. The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

The District's investments in external investment pools are reported in conformity with GASB Statement No. 77 unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Note 3 - Accounts Receivable

Accounts receivable at June 30, 2025 consisted of the following:

	General Fund (Combined)	Special Reserve Fund for Capital Outlay Projects	All Other Governmental Funds	Total Governmental Funds
Federal programs	\$ 690,011	\$ -	\$ 935,563	\$ 1,625,574
State categorical aid programs	390,267	-	-	390,267
Other state receivables	755,654	-	-	755,654
Interest	393,994	22,042	99,365	515,401
Other local receivables	281,901	1,736,875	1,293	2,020,069
Total	<u>\$ 2,511,827</u>	<u>\$ 1,758,917</u>	<u>\$ 1,036,221</u>	<u>\$ 5,306,965</u>

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 4,088,157	\$ -	\$ -	\$ 4,088,157
Work in progress	185,627	5,974,991	-	6,160,618
Total capital assets not being depreciated	4,273,784	5,974,991	-	10,248,775
Capital assets being depreciated:				
Buildings	68,716,004	680,615	-	69,396,619
Improvements of sites	4,167,347	339,891	-	4,507,238
Equipment	9,354,691	999,806	-	10,354,497
Leased assets	877,142	-	-	877,142
Total capital assets being depreciated	83,115,184	2,020,312	-	85,135,496
Less: Accumulated depreciation/amortization for:				
Buildings	(30,393,557)	(2,229,044)	-	(32,622,601)
Improvements of sites	(3,368,299)	(73,190)	-	(3,441,489)
Equipment	(4,873,374)	(742,374)	-	(5,615,748)
Leased assets amortization	(184,042)	(118,913)	-	(302,955)
Total accumulated depreciation/amortization	(38,819,272)	(3,163,521)	-	(41,982,793)
Total capital assets being depreciated/amortized, net	44,295,912	(1,143,209)	-	43,152,703
Total governmental activities capital assets, net	\$ 48,569,696	\$ 4,831,782	\$ -	\$ 53,401,478

Depreciation/amortization was charged to functions as follows:

Instruction	\$ 1,188,773
Supervision of instruction	62
Instructional library, media, and technology	258
School site administration	3,768
Home-to-school transportation	303,834
Food services	40,811
Community services	2,227
All other general administration	19,113
Data processing	59,808
Plant services	1,544,867
Total	\$ 3,163,521

Note 5 - Accounts Payable

Accounts payable at June 30, 2025 consisted of the following:

	General Fund (Combined)	Special Reserve Fund for Capital Outlay Projects	All Other Governmental Funds	Total Governmental Funds
Vendor payables	\$ 2,996,400	\$ 1,768,250	\$ 95,934	\$ 4,860,584
Salaries and benefits	781,434	-	8,224	789,658
Other	2,649,647	-	-	2,649,647
Total	\$ 6,427,481	\$ 1,768,250	\$ 104,158	\$ 8,299,889

Note 6 - Unearned Revenue

The District has received revenues for programs as advances, or before program expenditures were incurred. Such revenues are reported in these statements as "unearned," and will be recognized in subsequent periods as program expenditures are made.

	General Fund (Combined)
Every Student Succeeds Act (ESSA): Title I, Part A, Basic Grants Low Income and Neglected	\$ 33,414
ESSA: Title II, Part A, Supporting Effective Instruction	8,161
Child Dev: California Prekindergarten Planning and Implementation Grant Program – California Universal Prekindergarten Planning Grants	110,122
Total	\$ 151,697

Note 7 - Long-term Obligations other than Pension and OPEB

Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2025, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 32,232,434	\$ -	\$ (912,132)	\$ 31,320,302	\$ 980,812
Accreted interest	1,983,763	197,836	(338,619)	1,842,980	346,197
Other post-employment benefits	5,380,066	47,203	-	5,427,269	-
Net pension liability	34,426,000	-	(3,735,000)	30,691,000	-
Compensated absences	2,127,989	348,702	-	2,476,691	-
Leases liability	615,257	-	(141,363)	473,894	150,902
Total governmental activities	\$ 76,765,509	\$ 593,741	\$ (5,127,114)	\$ 72,232,136	\$ 1,477,911

The funds typically used to liquidate other long-term liabilities in the past are as follows:

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
General obligation bonds	Governmental	Bond Interest and Redemption
Accreted interest	Governmental	General
Other post-employment benefits	Governmental	General
Net pension liability	Governmental	General
Compensated absences	Governmental	General
Leases liability	Governmental	General

General Obligation Bonds and Accreted Interest

The outstanding general obligation bond debt of the District at June 30, 2025, is as follows:

<u>Bond</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>
2016, Series B	5/6/20	8/1/47	2.5 - 5.0
2006, Series B	10/30/08	8/1/33	5.5 - 11.7
2011 Refunding	10/4/11	8/1/26	2.0 - 4.0
2015 Refunding	8/29/15	8/1/35	3.0 - 5.0
2016, Series A	1/18/18	8/1/44	3.0 - 5.0

<u>Bond</u>	<u>Bond</u>			<u>Bond</u>
	<u>Original Issue</u>	<u>Outstanding 06/30/2024</u>	<u>Issued During Year</u>	
2016, Series B	\$ 14,500,000	\$ 14,150,000	\$ -	\$ 14,150,000
2006, Series B	6,871,159	1,352,434	-	1,135,302
2011 Refunding	7,715,000	440,000	-	305,000
2015 Refunding	12,290,000	9,480,000	-	9,080,000
2016, Series A	8,500,000	6,810,000	-	6,650,000
Total	<u>\$ 49,876,159</u>	<u>\$ 32,232,434</u>	<u>\$ -</u>	<u>\$ 31,320,302</u>

Fruitvale Elementary School District
Notes to the Financial Statements
June 30, 2025

The annual requirements to amortize general obligation bonds, payable and outstanding, and accreted interest as of June 30, 2025 are as follows:

Year Ending June 30,	General Obligation Bonds		
	Debt	Interest	Total
2026	\$ 980,812	\$ 1,357,632	\$ 2,338,444
2027	1,041,566	1,377,154	2,418,720
2028	947,211	1,401,836	2,349,047
2029	1,011,445	1,428,517	2,439,962
2030	1,084,268	1,453,271	2,537,539
2031-2035	8,940,000	3,393,779	12,333,779
2036-2040	5,100,000	2,187,896	7,287,896
2041-2045	6,780,000	1,383,649	8,163,649
2046-2048	5,435,000	258,894	5,693,894
Total	<u>\$ 31,320,302</u>	<u>\$ 14,242,628</u>	<u>\$ 45,562,930</u>

Year Ending June 30,	Accreted Interest
2026	\$ 346,197
2027	360,539
2028	371,163
2029	379,547
2030	385,534
Total	<u>\$ 1,842,980</u>

Compensated Absences

Compensated absences at June 30, 2025 consisted of:

	Compensated Absences
Vacation	\$ 143,461
Sick	2,333,230
Total	<u>\$ 2,476,691</u>

All amounts are due after one year.

Leases

The District has leasing arrangements outstanding at year end with an implied interest rate of 4.0 percent. Variable payments not included in the measurement of the leases are estimated by the District and payable upon lease expiration.

Future lease payment obligations are as follows:

	Year Ending June 30,	Principal	Interest	Total
2026		\$ 150,902	\$ 32,280	\$ 183,182
2027		156,156	22,093	178,249
2028		166,836	11,412	178,248
Total		\$ 473,894	\$ 65,785	\$ 539,679

Note 8 - Pension

General Information About the Pension Plans

Plan Descriptions

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. Support by the State for the CalSTRS plan is such that the plan has a special funding situation as defined by GASB Statement No. 68. CalSTRS and CalPERS issue publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on their respective websites.

Benefits Paid

CalSTRS and CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

The Plans' provisions and benefits in effect at June 30, 2025 are summarized as follows:

	CalSTRS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 60	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	55-60	55-62
Monthly benefits, as a % of eligible compensation	1.4-2.4%	1.16-2.4%
Required Employee Contribution Rates	10.25%	10.21%
Required Employer Contribution Rates	19.10%	19.10%
Required State Contribution Rates	10.83%	10.83%

	CalPERS	
	Before	On or After
Hire Date	Jan. 1, 2013	Jan. 1, 2013
Benefit Formula	2% at 55	2% at 62*
Benefit Vesting Schedule	5 Years	5 Years
Benefit Payments	Monthly for Life	Monthly For Life
Retirement Age	50-62	52-67
Monthly Benefits as a % of Eligible Compensation	1.1-2.5%	1.0-2.5%
Required Employee Contribution Rates	7.00%	8.00%
Required Employer Contribution Rates	26.68%	26.68%

*Amounts are limited to 120% of Social Security Wage Base.

**The contribution rate for CalSTRS 2% at 62 members is based, in part, on the normal cost of benefits and may increase or decrease in future years.

Contributions

CalSTRS

For the fiscal year ended June 30, 2025 (measurement date June 30, 2024), California Education Code Section 22950 requires members to contribute monthly to the system 10.21% (if hired on or after January 1, 2013) or 10.25% (if hired before January 1, 2013) of the creditable compensation upon which members' contributions under this part are based. In addition, the employer required rates established by the CalSTRS Board have been established at 19.10% of creditable compensation for the fiscal year ended June 30, 2025. For fiscal year June 30, 2025 and for each fiscal year thereafter, the CalSTRS Board has the authority to increase or decrease percentages paid specific to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Board based upon a recommendation from its actuary. Those adjustments are limited to 1% annually, not to exceed 20.25% of creditable compensation..

CalPERS

California Public Employees' Retirement Law section 20814(c) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. For the fiscal year ended June 30, 2025 (measurement date June 30, 2024), employees hired prior to January 1, 2013 contributed 7.00%, employees hired on or after January 1, 2013 contributed 8.00% of annual pay, and the contribution rate was 26.68% of covered payroll.

On Behalf Payments

Consistent with California Education Code Section 22955.1, the State of California makes contributions to CalSTRS on behalf of employees working for the District. For the fiscal year ended June 30, 2025 (measurement date June 30, 2024) the State contributed 10.83% of salaries creditable to CalSTRS. Consistent with the requirements of generally accepted accounting principles, the District has recorded these contributions as revenue and expense in the fund financial statements. The government-wide financial statements have recorded revenue and expense for pension expense paid on behalf of the District. Contributions reported for on behalf payments are based on the District's proportionate share of the States contribution for the fiscal year. Contributions made by the state on behalf of the District and the State's pension expense associated with District employees for the past three fiscal years are as follows:

Year Ended June 30,	CalSTRS	
	On Behalf Contribution Rate	On Behalf Contribution Amount
2022	10.83%	\$ 1,450,945
2023	10.83%	1,693,662
2024	10.83%	1,709,629

Contributions Recognized

For the fiscal year ended June 30, 2025 (measurement period June 30, 2024), the contributions recognized for each plan were:

	Fund Financial Statements (Current Financial Resources Measurement Focus)		
	CalSTRS	CalPERS	Total
Contributions - Employer	\$ 3,640,899	\$ 1,995,194	\$ 5,636,093
Contributions - State On Behalf Payments	1,709,629	-	1,709,629
Total Contributions	<u>\$ 5,350,528</u>	<u>\$ 1,995,194</u>	<u>\$ 7,345,722</u>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2025 (measured June 30, 2024), the District reported net pension liabilities for its proportionate shares of the net pension liability of each plan as follows:

	Proportionate Share of Net Pension Liability
CalSTRS	\$ 18,454,000
CalPERS	12,237,000
Total Net Pension Liability	<u>\$ 30,691,000</u>

The District's net pension liability for each Plan is measured as the proportionate share of the total net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2024. The total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 (STRS) and June 30, 2023 (PERS) rolled forward to measurement date June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, as actuarially determined.

The District's proportionate share of the net pension liability for each Plan as of June 30, 2024 and June 30, 2025 were as follows:

	CalSTRS			CalPERS
	District's Proportionate Share	State's Proportionate Share*	Total For District Employees	District's Proportionate Share
Proportion June 30, 2024	0.029%	0.014%	0.043%	0.034%
Proportion June 30, 2025	0.027%	0.012%	0.039%	0.034%
Change in Proportion	-0.002%	-0.002%	-0.004%	0.000%

*Represents State's Proportionate Share on Behalf of District employees

Pension Expense

	CalSTRS	CalPERS	Total
Change in Net Pension Liability (Asset)	\$ (3,646,000)	\$ (89,000)	\$ (3,735,000)
On Behalf Contribution Amount	1,709,629	-	1,709,629
Employer Contributions to Pension Plan	3,447,346	1,801,882	5,249,228
Change in Other Outflows/Inflows of Resources	657,893	324,895	982,788
Total Pension Expense	<u>\$ 2,168,868</u>	<u>\$ 2,037,777</u>	<u>\$ 4,206,645</u>

Deferred Outflows and Inflows of Resources

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	CalSTRS	CalPERS	Total
Pension contributions subsequent to measurement date	\$ 4,781,226	\$ 1,995,194	\$ 6,776,420
Differences between actual and expected experience	2,087,386	1,025,930	3,113,316
Changes in assumptions	80,781	270,489	351,270
Net difference between projected and actual earnings	-	475,354	475,354
			10,716,36
Total Deferred Outflows of Resources	<u>\$ 6,949,393</u>	<u>\$ 3,766,967</u>	<u>\$ 0</u>

	Deferred Inflows of Resources		
	CalSTRS	CalPERS	Total
Differences between actual and expected experience	\$ (806,983)	\$ (87,583)	\$ (894,566)
Changes in assumptions	(1,260,345)	-	(1,260,345)
Net difference between projected and actual earnings	(74,461)	-	(74,461)
Total Deferred Inflows of Resources	<u>\$ (2,141,789)</u>	<u>\$ (87,583)</u>	<u>\$ (2,229,372)</u>

Pension contributions made subsequent to measurement date reported as deferred outflows of resources will be recognized as a portion of pension expense in the year ended June 30, 2025. The remaining amounts reported as deferred outflows or deferred inflows of resources will be recognized as an increase or decrease to pension expense over a five year period. Pension expense resulting from deferred outflows and deferred inflows of resources will be recognized as follows:

Year Ended June 30	Deferred Outflows of Resources		Deferred Inflows of Resources		Net Effect on Expenses
	CalSTRS	CalPERS	CalSTRS	CalPERS	
2026	\$ 4,074,889	\$ 2,676,118	\$ (1,755,360)	\$ (87,583)	\$ 4,908,064
2027	433,990	1,121,561	1,044,737	-	2,600,288
2028	393,600	119,697	(529,608)	-	(16,311)
2029	393,600	(150,409)	(481,442)	-	(238,251)
2030	393,463	-	(210,057)	-	183,406
Thereafter	1,259,851	-	(210,059)	-	1,049,792
Total	<u>\$ 6,949,393</u>	<u>\$ 3,766,967</u>	<u>\$ (2,141,789)</u>	<u>\$ (87,583)</u>	<u>\$ 8,486,988</u>

Actuarial Assumptions

Total pension liabilities for the fiscal year ended June 30, 2025 were based on actuarial valuations were determined using the following actuarial assumptions:

	<u>CalSTRS</u>	<u>CalPERS</u>
Fiscal Year	June 30, 2025	June 30, 2025
Measurement Date	June 30, 2024	June 30, 2024
Valuation Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal 2007-2022 and	Entry Age Normal
Experience Study Period	2017-2022	2000-2019
Actuarial Assumptions:		
Discount Rate	7.10%	6.90%
Inflation	2.75%	2.30%
Wage Growth	3.50%	(3)
Investment Rate of Return	7.10%	6.90%
Post Retirement Benefit Increase	(1)	(4)
Mortality	(2)	(5)

(1) CalSTRS post retirement benefit increases assumed at 2% simple (annually) maintaining 85% purchasing power level.

(2) CalSTRS base mortality tables are custom tables derived to best fit the patterns of mortality among CalSTRS members. The current mortality assumption uses a base year of 2023 and projected improvement is based on the MP-2021 Ultimate Projection Scale.

(3) Varies by entry age and service.

(4) CalPERS post retirement benefit increases assumes 2.00% until PPPA floor on purchasing power applies, 2.30% thereafter.

(5) CalPERS mortality table was developed based on CalPERS specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using the 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.10% CalSTRS and 6.90% for CalPERS. The projection of cash flows used to determine the discount rate assumed the contributions from plan members, employers, and state contributing agencies (where applicable) will be made at statutory contribution rates. To determine whether the District bond rate should be used in the calculation of a discount rate for each plan, CalSTRS and CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rates are adequate and the use of the discount bond rate calculation is not necessary for either plan. The stress test results are presented in a detailed report that can be obtained from the CalPERS and CalSTRS respective websites.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalSTRS and CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalSTRS and CalPERS are scheduled to review actuarial assumptions as part of their regular Asset Liability Management (ALM) review cycle. CalSTRS completed their ALM May 2023 with new policies in effect on July 1, 2023. CalPERS completed their ALM in 2021 with new policies in effect on July 1, 2022. Both CalSTRS and CalPERS conduct new ALM's every 4 years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalSTRS and CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest quarter of one percent.

The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

CalSTRS

Asset Class	Assumed Asset Allocation	Long Term Expected Rate of Return*	Long Term Expected Real Rate of Return**
Public Equity	38.00%	8.00%	5.25%
Real Estate	15.00%	6.80%	4.05%
Private Equity	14.00%	9.50%	6.75%
Fixed Income	14.00%	5.20%	2.45%
Risk Mitigating Strategies	10.00%	5.00%	2.25%
Inflation Sensitive	7.00%	6.40%	3.65%
Cash/Liquidity	2.00%	2.80%	0.05%

*20-30 year geometric average

** Real rates of return are net of assumed 2.75% inflation

CalPERS

Asset Class	Assumed Asset Allocation	Real Return (1)(2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management Study

Sensitivity to Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	CalSTRS	CalPERS
1% Decrease	6.10%	5.90%
Net Pension Liability	\$ 32,823,636	\$ 18,178,817
Current Discount Rate	7.10%	6.90%
Net Pension Liability	\$ 18,454,000	\$ 12,237,000
1% Increase	8.10%	7.90%
Net Pension Liability	\$ 6,454,767	\$ 7,329,387

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalSTRS and CalPERS financial reports.

Note 9 - Other Retirement Plans

Section 403(b) Tax-Sheltered Annuity Plan

Plan Description

The District's Board of Trustees authorized the establishment of a Section 403(b) Tax-Sheltered Annuity Plan. This is a retirement plan funded by elective deferrals made under salary reduction agreements.

Funding Policy

All eligible employees electing to participate in this plan choose the amount of monthly compensation deferrals up to the maximums allowed by the Internal Revenue Code and its regulations and rulings. The District does not contribute to the plan on behalf of participating employees.

Section 457 Deferred Compensation Plan

Plan Description

The District's Board of Trustees previously authorized the establishment of a qualified Internal Revenue Code Section 457 deferred compensation plan for the exclusive benefit of all employees of the District.

Funding Policy

All eligible employees electing to participate in this plan choose the amount of monthly compensation deferrals up to the maximums allowed by the Internal Revenue Code and its regulations and rulings. The District does not contribute to the plan on behalf of participating employees.

Note 10 - Postemployment Benefits other than Pension Benefits (OPEB)

General Information about the OPEB plan

Plan Description

The District provides certain postemployment healthcare benefits to all employees who retire from the District on or after attaining age 55, with at least 13 years of service for certificated employees hired before 1985-86 and others hired before 1989-90. The District pays 100% of the medical insurance premium until age 65. The amount paid by the District will be the same prorated percentage as was paid for the employee at the time of retirement. Certificated and administrative employees who are at least 55 years of age and who have 20 or more years of service will have their premiums paid for life.

The District provides medical only benefits to all retirees except those who are under the Grandfathered benefit. Employees may opt for \$10,000 lump sum in lieu of medical benefits. Any cash benefits are subject to GASB 73 and are not reflected in this valuation report. To be eligible, employee must attain age of 60, with 20 years of service. The duration of the benefit will last until age 65 or until retiree becomes eligible for Medicare.

The OPEB plan does not issue stand-alone financial reports that are available to the public.

Assumed Asset Allocation

The OPEB plan is associated with a trust. The assumed asset allocation of the plan's portfolio and the long-term expected rates of return are as follows.

Asset Class	Assumed Allocation
Cash / money market	2.32%
Fixed income	19.06%
Large cap securities	30.29%
Mid cap securities	3.43%
Small cap securities	10.67%
International securities	9.34%
Commodities / natural resources	3.14%
Emerging market securities	2.98%
Other	18.77%
Total	100.00%

The District does not have a formalized plan to contribute to the trust, nor is contractually required to contribute to the trust, therefore, assumptions made about projected cash flows for contributions were not used, as expectations regarding those contributions are not readily determinable.

Benefits Provided

The health and welfare benefit plans of the District include medical-only insurance. is available to retirees with Medicare Parts A and B. The District does not pay for dental or vision coverage for its retirees. All coverages are self-insured on a pooled basis through the Self-Insured Schools of California (SISC).

Eligibility for District-Paid Benefits

The amount and duration of District-paid contributions for retiree health insurance varies by employment classification, age and date of hire as follows:

Certificated

Hired prior to September 1, 1985, age 55 with 13 years of service

Hired on or after September 1, 1985: Eligible for self-paid benefits only

Certificated Management

Hired prior to July 1, 1990, age 55 with 13 years of service

Hired on or after July 1, 1990: Eligible for self-paid benefits only

Classified (CSEA)

Hired prior to July 1, 1989, age 55 with 13 years of service

Hired on or after July 1, 1989: Eligible for self-paid benefits only

Classified Management/Confidential

Hired prior to July 1, 1990, age 55 with 13 years of service

Hired on or after July 1, 1990: Eligible for self-paid benefits only

Duration of District-Paid Benefits

Certificated and Certificated Management

With 20 or more years of service, for life

With less than 20 years of service, to age 65.

Classified and Classified Management/Confidential

To age 65.

Employees Covered by Benefit Terms

At June 30, 2025, the following retirees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	26
Inactive employees entitled to but not yet receiving benefit payments	-
Participating active employees	223
Total number of participants	249

The OPEB plan does not issue stand-alone financial reports that are available to the public.

Contribution

The benefit payment requirements of the Plan members and the District are established and may be amended by the District. The actuarially determined contribution is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District. For measurement period of June 30, 2025, the District paid \$297,775 in benefits. The District actuarially determined contributions to the trust is determined using a contribution allocated procedure. Employees are not required to contribute to the OPEB plan.

Net OPEB Liability

Actuarial Assumptions and Other Inputs

The Net OPEB liability actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	2.75% per year
Investment return / discount rate	5.41%
Healthcare cost trend rates	4.00% per year
Retirees' share of costs	0.00% of projected health insurance premiums

The discount rate was based on an index of 20-year general obligation municipal bonds.

Mortality rates were based on the 2017 CalPERS Active Mortality for Miscellaneous and Schools Employees table created by CalPERS. The CalPERS mortality tables created by CalPERS are modified versions of the Society of Actuaries Scale BB mortality table, as adjusted for data from CalSTRS members.

Changes in OPEB Liability

	Total OPEB liability	Plan Fiduciary net position	Net OPEB liability
Balance at June 30, 2024	\$ 5,761,625	\$ 381,559	\$ 5,380,066
Changes for the year:			
Service cost	171,913	-	171,913
Interest	286,940	34,460	252,480
Assumption changes	(186,885)	-	(186,885)
Experience gains/losses	95,319	-	95,319
Expected benefit payments	(286,018)	(286,018)	-
Net changes	81,269	34,066	47,203
Balance at June 30, 2025	<u>\$ 5,842,894</u>	<u>\$ 415,625</u>	<u>\$ 5,427,269</u>

There were no changes in benefit terms for the fiscal year ended June 30, 2025. The interest assumption changed from 5.03% to 5.41%. There were no changes to any other inputs or assumptions.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 4.41%	Valuation discount rate 5.41%	1% Increase 6.41%
Net OPEB liability	\$ 5,936,280	\$ 5,427,269	\$ 4,971,089

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease 3%	Health care cost valuation trend 4%	1% Increase 5%
Net OPEB liability	\$ 4,849,150	\$ 5,427,269	\$ 6,104,539

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30,2024, the District recognized OPEB benefit of \$55,485.

At June 30, 2025 the District reported the following deferred outflows and inflows of resources related to other postemployment benefits.

	Deferred Inflows of Resources	Deferred Outflows of Resources
Employer contributions subsequent to measurement date	\$ -	\$ 297,775
Experience gains/losses	1,288,681	139,659
Assumption changes	1,340,992	674,568
Investment gains/losses	12,583	-
Total	\$ 2,642,256	\$ 1,112,002

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows.

Year end June 30	Deferred Inflows of Resources	Deferred (Inflows) and Outflows of Resources
2026	\$ 239,192	\$ 381,754
2027	250,054	83,979
2028	247,209	83,979
2029	244,124	83,979
2030	241,999	83,979
Thereafter	1,419,678	394,332
Total	\$ 2,642,256	\$ 1,112,002

Note 11 - Commitments and Contingencies

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to view and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

Pending Assessment for Disputed Tax Revenues

The Kern County Auditor-Controller's Office has impounded disputed revenues of school district taxes on secured and unsecured property based on claims or actions filed for the return of such tax revenues. The claims and actions are regarding the valuation of mineral rights that could trigger repayment of property taxes. Revenues are impounded until the final disposition of the claim or action. The Kern County Auditor-Controller has estimated the contingent liability as of June 30, 2025 as follows:

Pending appeals for taxes	\$ 206,810
Pending appeals for interest	5,065
Total	211,875
Less amount held by Kern County Auditor-Controller	(522,057)
Net contingent liability	\$ (310,182)

Litigation

The District is involved in various litigation. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material effect on the financial statements.

Construction Commitments

The District has construction contracts-in-progress as follows:

	Project Authorization	Expended to June 30, 2025	Remaining Commitment
ELOP Office & Site Work	\$ 681,898	\$ 97,098	\$ 584,800
Discovery Fruitvale ELOP Office	123,400	15,952	107,448
Fruitvale ELOP Classrooms	420,243	127,624	292,619
Fruitvale ELOP Office	85,402	67,775	17,627
District Office Remodel	204,024	80,000	124,024
Discovery Ball Wall	330,900	103,392	227,508
Total	<u>\$ 1,845,867</u>	<u>\$ 491,841</u>	<u>\$ 1,354,026</u>

Note 12 - Restricted Fund Balances

Restricted fund balances at June 30, 2025 are as follows:

Expanded Learning Opportunities Program	\$	1,387,994
Educator Effectiveness, FY 2021-22		74,239
Lottery: Instructional Materials		1,049,512
Mental Health-Related Services		119,279
Special Education Early Intervention Preschool Grant		562,485
Arts, Music, and Instructional Materials Discretionary Block Grant		856,032
Arts and Music in Schools (AMS)-Funding Guarantee and Accountability Act (Prop 28)		337,837
Classified School Employee Professional Development Block Grant		6,324
Learning Recovery Emergency Block Grant		1,995,746
Other Restricted State		19,115
Other Restricted Local		1,122,136
Student Body Fund		125,719
Cafeteria Special Revenue Fund		3,204,899
Building Fund		553,167
Capital Facilities Fund		319,734
County Schools Facilities Fund		3,769,051
Bond Interest and Redemption Fund		2,646,232
Total	<u>\$</u>	<u>18,149,501</u>

Note 13 - Joint Power Agreements

The District participates in four joint ventures under joint powers agreements (JPAs) as follows:

- Schools Legal Services
(legal services)
- Self-Insured Schools of California I (SISC I)
(workers' compensation insurance)
- Self-Insured Schools of California II (SISC II)
(property and liability insurance)
- Self-Insured Schools of California III (SISC III)
(health insurance)

The relationships between the District and the other JPAs are such that none of the other JPAs are component units of the District for financial reporting purposes.

The JPAs provide insurance and services as noted for member organizations.

Each JPA is governed by a board consisting of a representative from each member organization. Such governing board controls the operations of its JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond representation on the governing board.

Each member organization pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation in each JPA.

Each JPA is independently accountable for its fiscal matters, and maintains its own accounting records.

The District's share of year-end assets, liabilities, or fund equity has not been calculated by the entities.

Condensed financial information for the above JPAs for the year ended June 30, 2025 was not available as of the audit report date. Complete financial statements for the JPAs may be obtained from the JPAs at the addresses indicated below.

Schools Legal Services	Kern County Superintendent of Schools 1300 17th St., No. 7 Bakersfield, CA 93301
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SISC I, II and III	Self-Insured Schools of California Kern County Superintendent of Schools P. O. Box 1847 Bakersfield, CA 93303-1847
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Note 14 - Prior Period Adjustments

The beginning net position on a Government-Wide basis was overstated by \$1,899,596 at June 30, 2024. The beginning balance was restated to reflect the correction.

Note 15 - Subsequent Events

Subsequent events have been evaluated through December 9, 2025, the date these financial statements were available to be issued.

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Required Supplementary Information

Fruitvale Elementary School District
General Fund (Combined)
Budgetary Comparison Schedule
June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
LCFF sources:				
State apportionment or State aid	\$ 22,991,649	\$ 26,868,234	\$ 21,680,912	\$ (5,187,322)
Education protection account funds	9,198,967	5,537,626	10,260,971	4,723,345
Local sources	6,050,411	6,050,398	6,514,977	464,579
Federal revenue	1,329,761	1,586,789	1,436,980	(149,809)
Other State revenue	6,063,869	6,409,564	6,462,248	52,684
Other local revenue	3,322,877	4,183,131	5,009,932	826,801
Total revenues	48,957,534	50,635,742	51,366,020	730,278
Expenditures:				
Current:				
Certificated salaries	19,182,395	19,452,577	19,496,090	43,513
Classified salaries	7,004,748	7,342,998	7,005,327	(337,671)
Employee benefits	13,800,095	14,101,752	13,640,970	(460,782)
Books and supplies	3,020,955	2,850,827	2,167,998	(682,829)
Services and other	6,140,684	6,564,237	5,577,464	(986,773)
Other outgo	1,056,631	859,225	858,858	(367)
Direct support / indirect costs	-	(49,892)	(46,540)	3,352
Capital outlay	1,048,038	4,149,446	3,690,508	(458,938)
Debt service:				
Principal	171,052	171,052	141,363	(29,689)
Interest and other service charges	41,798	41,798	36,886	(4,912)
Total expenditures	51,466,396	55,484,020	52,568,924	(2,915,096)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,508,862)	(4,848,278)	(1,202,904)	3,645,374
Other Financing Sources (Uses):				
Other sources	-	(16,388)	-	16,388
Total other financing sources (uses)	-	(16,388)	-	16,388
Net Change in Fund Balance	(2,508,862)	(4,864,666)	(1,202,904)	3,661,762
Fund Balance, July 1	23,786,803	23,786,803	23,786,803	-
Fund Balance, June 30	\$ 21,277,941	\$ 18,922,137	\$ 22,583,899	\$ 3,661,762

Fruitvale Elementary School District
Special Reserve Fund for Capital Outlay Projects
Budgetary Comparison Schedule
June 30, 2025

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Other local revenue	\$ 4,004,662	\$ 2,021,955	\$ (1,982,707)
Total revenues	<u>4,004,662</u>	<u>2,021,955</u>	<u>(1,982,707)</u>
Expenditures:			
Current:			
Capital outlay	<u>3,883,838</u>	<u>2,273,575</u>	<u>(1,610,263)</u>
Total expenditures	<u>3,883,838</u>	<u>2,273,575</u>	<u>(1,610,263)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>120,824</u>	<u>(251,620)</u>	<u>(372,444)</u>
Other Financing Sources (Uses):			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	120,824	(251,620)	(372,444)
Fund Balance, July 1	<u>1,704,059</u>	<u>1,704,059</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,824,883</u>	<u>\$ 1,452,439</u>	<u>\$ (372,444)</u>

Fruitvale Elementary School District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 California State Teachers' Retirement System
 Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's portion of the net pension liability (asset)	0.027%	0.029%	0.026%	0.028%	0.026%	0.027%	0.026%	0.026%	0.027%	0.000%
District's proportionate share of the net pension liability (asset)	18,454,000	22,100,000	18,061,000	12,593,429	25,623,709	24,052,479	24,060,332	23,558,417	21,728,544	18,310,000
State's proportionate share of the net pension liability (asset) associated with the District	<u>8,466,771</u>	<u>10,588,729</u>	<u>9,044,880</u>	<u>6,336,657</u>	<u>13,208,918</u>	<u>13,214,554</u>	<u>13,826,489</u>	<u>13,990,413</u>	<u>11,677,846</u>	<u>9,684,000</u>
Total	<u>\$26,920,771</u>	<u>\$32,688,729</u>	<u>\$27,105,880</u>	<u>\$18,930,086</u>	<u>\$38,832,627</u>	<u>\$37,267,033</u>	<u>\$37,886,821</u>	<u>\$37,548,830</u>	<u>\$33,406,390</u>	<u>\$27,994,000</u>
District's covered-employee payroll	\$19,496,090	\$18,939,151	\$17,738,953	\$16,099,065	\$15,301,585	\$14,571,405	\$14,674,565	\$14,074,477	\$13,583,392	\$13,443,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	94.65%	116.69%	101.82%	78.22%	167.46%	165.07%	163.96%	167.38%	159.96%	136.20%
Plan fiduciary net position as a percentage of the total pension liability	83.55%	80.62%	81.20%	87.55%	72.93%	72.56%	70.99%	69.46%	74.02%	69.90%

Fruitvale Elementary School District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 California Public Employees' Retirement System
 Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's portion of the net pension liability (asset)	0.034%	0.034%	0.031%	0.030%	0.030%	0.028%	0.028%	0.031%	0.030%	0.031%
District's proportionate share of the net pension liability (asset)	\$12,237,000	\$12,326,000	\$10,837,000	\$5,966,732	\$9,319,677	\$8,226,257	\$7,492,878	\$6,824,949	\$5,898,524	\$4,519,000
District's covered-employee payroll	\$ 7,945,583	\$ 7,588,922	\$ 6,844,585	\$5,381,724	\$4,729,039	\$4,714,777	\$4,461,274	\$3,671,496	\$3,932,856	\$3,594,000
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	154.01%	162.42%	158.33%	110.87%	197.07%	174.48%	167.95%	185.89%	149.98%	125.74%
Plan fiduciary net position as a percentage of the total pension liability	72.29%	69.96%	80.97%	81.58%	69.70%	70.05%	70.85%	71.87%	73.61%	79.43%

Fruitvale Elementary School District
 Schedule of District Contributions
 California State Teachers' Retirement System
 Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	3,447,346	3,332,261	2,879,142	2,649,394	2,423,351	2,468,399	2,337,053	2,030,947	2,306,463	1,442,426
Contributions in relation to the contractually required contribution	(3,447,346)	(3,332,261)	(2,879,142)	(2,649,394)	(2,423,351)	(2,468,399)	(2,337,053)	(2,030,947)	(2,306,463)	(1,442,426)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$19,496,090	\$18,939,151	\$17,738,953	\$16,099,065	\$15,301,585	\$14,571,405	\$14,674,565	\$14,074,477	\$13,583,392	\$13,443,000
Contributions as a percentage of covered-employee payroll	17.68%	17.59%	16.23%	16.46%	15.84%	16.94%	15.93%	14.43%	16.98%	10.73%

Fruitvale Elementary School District
 Schedule of District Contributions
 California Public Employee' Retirement System
 Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	1,801,882	1,495,426	1,105,893	1,120,521	872,902	864,096	724,631	570,220	546,195	425,792
Contributions in relation to the contractually required contribution	<u>(1,801,882)</u>	<u>(1,495,426)</u>	<u>(1,105,893)</u>	<u>(1,120,521)</u>	<u>(872,902)</u>	<u>(864,096)</u>	<u>(724,631)</u>	<u>(570,220)</u>	<u>(546,195)</u>	<u>(425,792)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered-employee payroll	\$ 7,945,583	\$ 7,588,922	\$ 6,844,585	\$ 5,381,724	\$ 4,729,039	\$ 4,714,777	\$ 4,461,274	\$ 3,671,496	\$ 3,932,856	\$ 3,594,000
Contributions as a percentage of covered-employee payroll	22.68%	19.71%	16.16%	20.82%	18.46%	18.33%	16.24%	15.53%	13.89%	11.85%

Fruitvale Elementary School District
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
Single Employer Trusted Plan
Last Ten Fiscal Years*

	Fiscal Year							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:								
Service cost	\$ 171,913	\$ 177,207	\$ 171,380	\$ 230,222	\$ 413,069	\$ 326,423	316,232	307,768
Interest	286,940	270,009	284,379	208,817	172,842	151,044	258,929	232,034
Actual benefit payments from employer	-	-	-	-	(320,223)	(389,247)	-	-
Differences between expected and actual experience	95,319	-	-	-	-	83,828	-	-
Changes of assumptions or other inputs	(186,885)	(164,120)	(61,005)	(1,190,349)	244,257	700,252	157,135	-
Other adjustments	-	-	-	-	-	-	(210,542)	-
Experience gains/losses	-	-	(640,037)	-	(339,165)	-	(987,042)	-
Benefit payments, including refunds of employee contributions	(286,018)	(282,624)	(288,507)	(279,844)	-	-	(236,069)	(184,973)
Net change in total OPEB liability	81,269	472	(533,790)	(1,031,154)	170,780	872,300	(701,357)	354,829
Total OPEB liability - beginning	5,761,625	5,761,153	6,294,943	7,326,097	7,155,317	6,283,017	6,984,374	6,629,545
Total OPEB liability - ending	<u>\$ 5,842,894</u>	<u>\$ 5,761,625</u>	<u>\$ 5,761,153</u>	<u>\$ 6,294,943</u>	<u>\$ 7,326,097</u>	<u>\$ 7,155,317</u>	<u>\$ 6,283,017</u>	<u>\$ 6,984,374</u>
Plan fiduciary net position:								
Contributions - employer	\$ 286,018	\$ 282,624	\$ 288,507	\$ 279,844	\$ 320,223	\$ 389,247	\$ 236,069	\$ 434,973
Contributions - employee	-	-	-	(32,789)	77,769	17,388	-	-
Net investment income	-	-	-	-	-	-	15,911	-
Benefit payments, including refunds of employee contributions	(286,018)	(282,624)	(288,507)	(279,844)	(320,223)	(389,247)	(236,069)	(184,973)
Expected investment income	34,460	36,988	33,672	-	-	-	-	-
Investment gains/losses	-	-	-	-	-	(17,530)	-	-
Administrative expense	(394)	(355)	(320)	(350)	(298)	(262)	(250)	-
Other	-	-	-	-	-	-	1,985	-
Net change in plan fiduciary net position	34,066	36,633	33,352	(33,139)	77,471	(404)	17,646	250,000
Plan fiduciary net position - beginning	381,559	344,926	311,574	344,713	267,242	267,646	250,000	-
Plan fiduciary net position - ending	<u>415,625</u>	<u>381,559</u>	<u>344,926</u>	<u>311,574</u>	<u>344,713</u>	<u>267,242</u>	<u>267,646</u>	<u>250,000</u>
District's net OPEB liability - ending	<u>\$ 5,427,269</u>	<u>\$ 5,380,066</u>	<u>\$ 5,416,227</u>	<u>\$ 5,983,369</u>	<u>\$ 6,981,384</u>	<u>\$ 6,888,075</u>	<u>\$ 6,015,371</u>	<u>\$ 6,734,374</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.11%	6.62%	5.99%	4.95%	4.71%	3.73%	4.26%	3.58%
Covered-employee payroll	\$ 27,790,375	\$ 26,521,455	\$ 24,583,538	\$ 21,480,789	\$ 20,030,624	\$ 19,336,951	\$ 19,135,839	\$ 18,484,515
District's net OPEB liability as a percentage of covered-employee payroll	19.53%	20.29%	22.03%	27.85%	34.85%	35.62%	31.44%	36.43%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

Fruitvale Elementary School District
 Schedule of OPEB Contributions Last Ten Fiscal Years
 Single Employer Contribution Plan
 Last Ten Fiscal Years*

	Fiscal Year							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:								
Actuarially determined contribution	\$ 286,018	\$ 282,624	\$ 288,507	\$ 279,844	\$ 320,223	\$ 389,247	\$ 236,069	\$ 184,973
Contributions in relation to the actuarially determined contribution	<u>(286,018)</u>	<u>(282,624)</u>	<u>(288,507)</u>	<u>(279,844)</u>	<u>(320,223)</u>	<u>(389,247)</u>	<u>(236,069)</u>	<u>(184,973)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 27,790,375	\$ 26,521,455	\$ 24,583,538	\$ 21,480,789	\$ 20,030,624	\$ 19,336,951	\$ 19,135,839	\$ 18,484,515
Total contributions as a percentage of covered-employee payroll	1.03%	1.07%	1.17%	1.30%	1.60%	2.01%	1.23%	1.00%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

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Supplementary Information

Fruitvale Elementary School District
 Schedule of Average Daily Attendance
 Year Ended June 30, 2025

	Second Period Report	Annual Report
Grades TK-3: Regular ADA	<u>1,309.22</u>	<u>1,310.74</u>
Grades 4-6: Regular ADA	953.62	952.71
Grades 7 and 8: Regular ADA	<u>661.96</u>	<u>659.35</u>
ADA Grand Total	<u><u>2,924.80</u></u>	<u><u>2,922.80</u></u>

There were no audit findings which resulted in necessary revisions to attendance.

Average daily attendance is a measurement of the number of pupils attending classes of the district or charter school. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionment of state funds are made to school districts and charter schools. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Fruitvale Elementary School District
 Schedule of Instructional Time
 Year Ended June 30, 2025

Grade Level	Ed. Code 46207 Minutes Requirement	Ed. Code 46207 Adjusted & Reduced	2024-25 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrac Calendar	Status
Transitional						
Kindergarten	36,000	N/A	54,300	180	N/A	Complied
Kindergarten	36,000	N/A	54,300	180	N/A	Complied
Grade 1	50,400	N/A	51,825	180	N/A	Complied
Grade 2	50,400	N/A	51,825	180	N/A	Complied
Grade 3	50,400	N/A	51,825	180	N/A	Complied
Grade 4	54,000	N/A	58,175	180	N/A	Complied
Grade 5	54,000	N/A	58,175	180	N/A	Complied
Grade 6	54,000	N/A	58,175	180	N/A	Complied
Grade 7	54,000	N/A	59,840	180	N/A	Complied
Grade 8	54,000	N/A	59,840	180	N/A	Complied

School districts and charter schools must maintain their instructional minutes as defined in Education Code Section 46207. This schedule is required of all districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instruction time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

Fruitvale Elementary School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2025

General Fund (Combined)	Budget 2026 (see note a)	2025	2024	2023
Revenue and other financial sources	\$ 52,136,667	\$ 51,366,020	\$ 51,954,298	\$ 52,010,774
Expenditures	53,627,868	52,568,924	48,825,391	46,207,527
Other uses and transfers out	-	-	-	-
Total outgo	<u>53,627,868</u>	<u>52,568,924</u>	<u>48,825,391</u>	<u>46,207,527</u>
Change in fund balance (deficit)	<u>(1,491,201)</u>	<u>(1,202,904)</u>	<u>3,128,907</u>	<u>5,803,247</u>
Ending fund balance	<u>\$ 21,092,698</u>	<u>\$ 22,583,899</u>	<u>\$ 23,786,803</u>	<u>\$ 20,657,896</u>
Available reserves (see note b)	<u>\$ 5,327,257</u>	<u>\$ 5,979,295</u>	<u>\$ 4,391,905</u>	<u>\$ 2,186,784</u>
Available reserves as a percentage of total outgo	<u>9.9%</u>	<u>11.4%</u>	<u>9.0%</u>	<u>4.7%</u>
Total long-term debt	<u>\$ 70,754,225</u>	<u>\$ 72,232,136</u>	<u>\$ 74,865,913</u>	<u>\$ 70,313,656</u>
Average daily attendance at P-2	<u>2,932</u>	<u>2,925</u>	<u>2,949</u>	<u>2,851</u>

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

The fund balance of the General Fund (combined) has increased by \$1,926,003 (9.3%) over the past two years. The fiscal year 2025-2026 budget projects a decrease of \$1,491,201 (6.6%). For an organization of this size, the State recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District hasn't incurred an operating deficit in any of the past three years, and projects a decrease during the 2025-2026 fiscal year. Total long-term debt has increased by \$1,918,480 over the past two years.

Average daily attendance has increased by 74 over the past two years. The District anticipates average daily attendance to increase by 7 during fiscal year 2025-2026.

Notes:

- a. The budget for 2026 is included for analytical purposes only and has not been subjected to audit.
- b. Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainties contained within the General Fund.

Fruitvale Elementary School District
 Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
 Year Ended June 30, 2025

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS report to the audited financial statements. Funds that required no adjustment are not presented.

	General Fund	Cafeteria Special Revenue Fund	County Schools Facilities Fund	Bond Interest and Redemption Fund
June 30, 2025, annual financial and budget report fund balances	\$ 21,328,632	\$ 3,155,343	\$ 3,720,272	\$ 2,611,535
Adjustments and reclassifications:				
To record accounts receivable understatement	-	49,756	-	-
To record cash in county FMV adjustment	335,912	-	48,779	34,697
Net adjustments and reclassifications	<u>335,912</u>	<u>49,756</u>	<u>48,779</u>	<u>34,697</u>
June 30, 2025, audited financial statement fund balances	<u>\$ 21,664,544</u>	<u>\$ 3,205,099</u>	<u>\$ 3,769,051</u>	<u>\$ 2,646,232</u>

Fruitvale Elementary School District
Schedule of Charter Schools
Year Ended June 30, 2025

Charter Schools

The following charter schools are chartered by the Fruitvale Elementary School District.

<u>Charter Schools</u>	<u>Included in Audit</u>
None	Not applicable

Fruitvale Elementary School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - passed through California Department of Education			
Child Nutrition Cluster			
Child Nutrition: School Programs	10.555	13523	\$ 1,431,630
Total Child Nutrition Cluster			<u>1,431,630</u>
Total U.S. Department of Agriculture			<u>1,431,630</u>
U.S. Department of Education - passed through California Department of Education			
Special Education Cluster			
Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	683,125
Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	19,048
Total Special Education Cluster			<u>702,173</u>
ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	578,574
ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	91,905
ESEA (ESSA) Title IV, Part A, Student Support and Academic Enrichment Grants	84.424	15396	64,328
Total U.S. Department of Education			<u>1,436,980</u>
Total Federal Programs			<u>\$ 2,868,610</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Fruitvale Elementary School District. The information in the Schedule is presented in accordance with the requirements of Title 2, *Code of Federal Regulations*, Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F—Audit Requirements (Uniform Guidance). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Fruitvale Elementary School District did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The District did not participate in any loan or loan guarantee programs as described in Title 2, *Code of Federal Regulations*, Part 200.502(b) during the year ended June 30, 2025.

The District did not provide any awards to subrecipients.

Fruitvale Elementary School District
Combining Balance Sheet - All General Funds
June 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund for Other Than Capital Outlay Projects</u>	<u>General Fund (Combined)</u>
Assets:			
Cash in County Treasury	\$ 25,619,051	\$ 907,286	\$ 26,526,337
Cash in revolving fund	10,000	-	10,000
Accounts receivable	465,768	12,069	477,837
Due from grantor governments	2,033,990	-	2,033,990
Due from other funds	103,243	-	103,243
Stores inventories	38,635	-	38,635
Total assets	<u>28,270,687</u>	<u>919,355</u>	<u>29,190,042</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	\$ 3,778,007	\$ -	\$ 3,778,007
Due to grantor governments	2,649,474	-	2,649,474
Due to other funds	26,965	-	26,965
Unearned revenue	151,697	-	151,697
Total liabilities	<u>6,606,143</u>	<u>-</u>	<u>6,606,143</u>
Fund Balance:			
Nonspendable fund balances:			
Revolving cash	10,000	-	10,000
Stores inventories	38,635	-	38,635
Restricted fund balances	7,530,699	-	7,530,699
Committed fund balances	9,000,000	-	9,000,000
Unassigned:			
Reserve for economic uncertainty	5,050,737	919,355	5,970,092
Other unassigned	34,473	-	34,473
Total fund balance	<u>21,664,544</u>	<u>919,355</u>	<u>22,583,899</u>
Total liabilities and fund balances	<u>\$ 28,270,687</u>	<u>\$ 919,355</u>	<u>\$ 29,190,042</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - All General Funds
Year Ended June 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund for Other Than Capital Outlay Projects</u>	<u>General Fund (Combined)</u>
Revenues:			
LCFF sources:			
State apportionment or State aid	\$ 21,680,912	\$ -	\$ 21,680,912
Education protection account funds	10,260,971	-	10,260,971
Local sources	6,514,977	-	6,514,977
Federal revenue	1,436,980	-	1,436,980
Other State revenue	6,462,248	-	6,462,248
Other local revenue	4,984,662	25,270	5,009,932
Total revenues	<u>51,340,750</u>	<u>25,270</u>	<u>51,366,020</u>
Expenditures:			
Current:			
Instruction	29,544,507	-	29,544,507
Instruction-related services	4,342,932	-	4,342,932
Pupil services	4,850,856	-	4,850,856
General administration	3,096,219	-	3,096,219
Plant services	6,006,795	-	6,006,795
Other outgo	858,858	-	858,858
Capital outlay	3,690,508	-	3,690,508
Debt service:			
Principal	141,363	-	141,363
Interest and other service charges	36,886	-	36,886
Total expenditures	<u>52,568,924</u>	<u>-</u>	<u>52,568,924</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,228,174)</u>	<u>25,270</u>	<u>(1,202,904)</u>
Net Change in Fund Balance	(1,228,174)	25,270	(1,202,904)
Fund Balance, July 1	22,892,718	894,085	23,786,803
Fund Balance, June 30	<u>\$ 21,664,544</u>	<u>\$ 919,355</u>	<u>\$ 22,583,899</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Combining Balance Sheet - Nonmajor Funds
June 30, 2025

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service Fund - Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
Assets:				
Cash in County Treasury	\$ 2,383,628	\$ 4,677,097	\$ 2,646,232	\$ 9,706,957
Cash on hand and in banks	125,719	-	-	125,719
Cash in revolving fund	200	-	-	200
Accounts receivable	967,081	69,140	-	1,036,221
Due from other funds	466	84,112	-	84,578
Total assets	<u>3,477,094</u>	<u>4,830,349</u>	<u>2,646,232</u>	<u>10,953,675</u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	\$ 43,033	\$ 61,125	\$ -	\$ 104,158
Due to other funds	103,243	127,272	-	230,515
Total liabilities	<u>146,276</u>	<u>188,397</u>	<u>-</u>	<u>334,673</u>
Fund Balance:				
Nonspendable fund balances:				
Revolving cash	200	-	-	200
Restricted fund balances	3,330,618	4,641,952	2,646,232	10,618,802
Total fund balance	<u>3,330,818</u>	<u>4,641,952</u>	<u>2,646,232</u>	<u>10,619,002</u>
Total liabilities and fund balances	<u>\$ 3,477,094</u>	<u>\$ 4,830,349</u>	<u>\$ 2,646,232</u>	<u>\$ 10,953,675</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Funds
Year Ended June 30, 2025

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Debt Service Fund - Bond Interest and Redemption Fund	Total Nonmajor Governmental Funds
Revenues:				
Federal revenue	\$ 1,431,630	\$ -	\$ -	\$ 1,431,630
Other State revenue	1,465,263	-	6,131	1,471,394
Other local revenue	249,072	437,901	2,115,832	2,802,805
Total revenues	<u>3,145,965</u>	<u>437,901</u>	<u>2,121,963</u>	<u>5,705,829</u>
Expenditures:				
Current:				
Pupil services	1,964,236	-	-	1,964,236
Ancillary services	154,340	-	-	154,340
General administration	46,541	4,245	-	50,786
Plant services	9,476	-	-	9,476
Capital outlay	505,445	1,552,847	-	2,058,292
Debt service:				
Principal	-	-	912,132	912,132
Interest and other service charges	-	-	1,351,750	1,351,750
Total expenditures	<u>2,680,038</u>	<u>1,557,092</u>	<u>2,263,882</u>	<u>6,501,012</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>465,927</u>	<u>(1,119,191)</u>	<u>(141,919)</u>	<u>(795,183)</u>
Other Financing Sources (Uses):				
Other uses	-	-	(10,999)	(10,999)
Total other financing sources (uses)	-	-	(10,999)	(10,999)
Net Change in Fund Balance	465,927	(1,119,191)	(152,918)	(806,182)
Fund Balance, July 1	<u>2,864,891</u>	<u>5,761,143</u>	<u>2,799,150</u>	<u>11,425,184</u>
Fund Balance, June 30	<u>\$ 3,330,818</u>	<u>\$ 4,641,952</u>	<u>\$ 2,646,232</u>	<u>\$ 10,619,002</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2025

	Student Body Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Assets:			
Cash in County Treasury	\$ -	\$ 2,383,628	\$ 2,383,628
Cash on hand and in banks	125,719	-	125,719
Cash in revolving fund	-	200	200
Accounts receivable	-	967,081	967,081
Due from other funds	-	466	466
Total assets	<u>125,719</u>	<u>3,351,375</u>	<u>3,477,094</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	\$ -	\$ 43,033	\$ 43,033
Due to other funds	-	103,243	103,243
Total liabilities	<u>-</u>	<u>146,276</u>	<u>146,276</u>
Fund Balance:			
Nonspendable fund balances:			
Revolving cash	-	200	200
Restricted fund balances	125,719	3,204,899	3,330,618
Total fund balance	<u>125,719</u>	<u>3,205,099</u>	<u>3,330,818</u>
Total liabilities and fund balances	<u>\$ 125,719</u>	<u>\$ 3,351,375</u>	<u>\$ 3,477,094</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special
Revenue Funds
Year Ended June 30, 2025

	Student Body Fund	Cafeteria Special Revenue Fund	Total Nonmajor Special Revenue Funds
Revenues:			
Federal revenue	\$ -	\$ 1,431,630	\$ 1,431,630
Other State revenue	-	1,465,263	1,465,263
Other local revenue	154,702	94,370	249,072
Total revenues	<u>154,702</u>	<u>2,991,263</u>	<u>3,145,965</u>
Expenditures:			
Current:			
Pupil services	-	1,964,236	1,964,236
Ancillary services	154,340	-	154,340
General administration	-	46,541	46,541
Plant services	-	9,476	9,476
Capital outlay	-	505,445	505,445
Total expenditures	<u>154,340</u>	<u>2,525,698</u>	<u>2,680,038</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>362</u>	<u>465,565</u>	<u>465,927</u>
Net Change in Fund Balance	362	465,565	465,927
Fund Balance, July 1	125,357	2,739,534	2,864,891
Fund Balance, June 30	<u>\$ 125,719</u>	<u>\$ 3,205,099</u>	<u>\$ 3,330,818</u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2025

	<u>Building Fund</u>	<u>Capital Facilities Fund</u>	<u>County Schools Facilities Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:				
Cash in County Treasury	\$ 639,525	\$ 317,359	\$ 3,720,213	\$ 4,677,097
Accounts receivable	17,904	2,398	48,838	69,140
Due from other funds	<u>84,112</u>	<u>-</u>	<u>-</u>	<u>84,112</u>
Total assets	<u><u>741,541</u></u>	<u><u>319,757</u></u>	<u><u>3,769,051</u></u>	<u><u>4,830,349</u></u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	\$ 61,102	\$ 23	\$ -	\$ 61,125
Due to other funds	<u>127,272</u>	<u>-</u>	<u>-</u>	<u>127,272</u>
Total liabilities	<u>188,374</u>	<u>23</u>	<u>-</u>	<u>188,397</u>
Fund Balance:				
Restricted fund balances	<u>553,167</u>	<u>319,734</u>	<u>3,769,051</u>	<u>4,641,952</u>
Total fund balance	<u>553,167</u>	<u>319,734</u>	<u>3,769,051</u>	<u>4,641,952</u>
Total liabilities and fund balances	<u><u>\$ 741,541</u></u>	<u><u>\$ 319,757</u></u>	<u><u>\$ 3,769,051</u></u>	<u><u>\$ 4,830,349</u></u>

The accompanying notes are an integral part of this statement.

Fruitvale Elementary School District
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital
 Projects Funds
 Year Ended June 30, 2025

	<u>Building Fund</u>	<u>Capital Facilities Fund</u>	<u>County Schools Facilities Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
Other local revenue	\$ 42,011	\$ 244,857	\$ 151,033	\$ 437,901
Total revenues	<u>42,011</u>	<u>244,857</u>	<u>151,033</u>	<u>437,901</u>
Expenditures:				
Current:				
General administration	-	4,245	-	4,245
Capital outlay	<u>1,552,847</u>	-	-	<u>1,552,847</u>
Total expenditures	<u>1,552,847</u>	<u>4,245</u>	<u>-</u>	<u>1,557,092</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,510,836)</u>	<u>240,612</u>	<u>151,033</u>	<u>(1,119,191)</u>
Net Change in Fund Balance	(1,510,836)	240,612	151,033	(1,119,191)
Fund Balance, July 1	<u>2,064,003</u>	<u>79,122</u>	<u>3,618,018</u>	<u>5,761,143</u>
Fund Balance, June 30	<u>\$ 553,167</u>	<u>\$ 319,734</u>	<u>\$ 3,769,051</u>	<u>\$ 4,641,952</u>

The accompanying notes are an integral part of this statement.

Other Information

Fruitvale Elementary School District
Local Education Agency Organization Structure
June 30, 2025

The District was established in 1895 in Kern County, California, and is currently operating one junior high and four elementary schools: Fruitvale Junior High, Quailwood Elementary, Discovery Elementary, Columbia Elementary and Endeavour Elementary. The junior high school has a grade span of seventh and eighth; and the elementary schools have grade spans of Transitional Kindergarten through sixth. There were no changes in the boundaries of the District during the year ended June 30, 2025.

Governing Board

Name	Office	Term Expiration
Andrew Bransby	President	2026
Stan Greene	Clerk	2028
Bryan Burrow	Member	2026
Tina Stout	Member	2026
Richard Traynor	Member	2026

Administration

Leslie Garrison
Superintendent

Kim Carlson
Assistant Superintendent

Rebecca Innis
Chief Business Officer

Other Independent Auditor Reports

Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards

To the Board of Trustees
Fruitvale Elementary School District
Bakersfield, California 93308

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Fruitvale Elementary School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Fruitvale Elementary School District's basic financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fruitvale Elementary School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fruitvale Elementary School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Fruitvale Elementary School District's internal control. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fruitvale Elementary School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Linger, Peterson & Shrum
Fresno, California
December 9, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees
Fruitvale Elementary School District
Bakersfield, California 93308

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Fruitvale Elementary School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Fruitvale Elementary School District's major federal programs for the year ended June 30, 2025. Fruitvale Elementary School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Fruitvale Elementary School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2, *Code of Federal Regulations*, Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F—Audit Requirements (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Fruitvale Elementary School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Fruitvale Elementary School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Fruitvale Elementary School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Fruitvale Elementary School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Fruitvale Elementary School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fruitvale Elementary School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Fruitvale Elementary School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Fruitvale Elementary School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Linger, Peterson & Shrum

Linger, Peterson & Shrum
Fresno, California
December 9, 2025

Independent Auditor's Report on State Compliance and on Internal Control over Compliance

To the Board of Trustees
Fruitvale Elementary School District
Bakersfield, California 93308

Report on Compliance

Opinion

We have audited the District's compliance with the requirements specified in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, (K-12 Audit Guide), published by the Education Audit Appeals Panel, applicable to the District's state program requirements identified below for the year ended June 30, 2025.

In our opinion, Fruitvale Elementary School District complied, in all material respects, with the laws and regulations of the state programs noted in the table below for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Fruitvale Elementary School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the state programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the District's compliance with the state laws and regulations applicable to the following items:

Local Education Agencies Other Than Charter Schools:

Attendance	Yes
Teacher Certification and Misassignments	Yes
Independent Study	Not applicable
Continuation Education	Not applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not applicable
Middle or Early College High Schools	Not applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not applicable
Home to School Transportation Reimbursement	Yes

School Districts, County Offices of Education, and Charter Schools:

Proposition 28 Arts and Music in Schools	Not applicable
After/Before School Education and Safety Program	Not applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not applicable
Immunizations	Not applicable
Educator Effectiveness	Not applicable
Expanded Learning Opportunities Grant (ELO-G)	Not applicable
Career Technical Education Incentive Grant	Not applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes

Charter Schools:

Attendance	Not applicable
Mode of Instruction	Not applicable
Nonclassroom-Based Instruction/Independent Study	Not applicable
Determination of Funding for Nonclassroom-Based Instruction	Not applicable
Annual Instructional Minutes - Classroom Based	Not applicable
Charter School Facility Grant Program	Not applicable

The term "Not applicable" is used above to mean either the District did not offer the program during the current fiscal year or the program applies to a different type of local education agency.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Linger, Peterson & Shrum

Fresno, California

December 9, 2025

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
One or more material weaknesses identified?	No
One or more significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2, <i>Code of Federal Regulations</i> , Part 200, paragraph 200.516(a)?	No

Identification of major programs:

Name of federal program or cluster	Assistance Listing Number (ALN)
Child Nutrition Cluster	10.555

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

State Awards

Any audit findings disclosed that are required to be reported in accordance with the state's <i>2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting</i> ?	No
Type of auditor's report issued on compliance for state programs:	Unmodified

Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *"Government Auditing Standards."*

There were no financial statement findings or questioned costs.

Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by the Uniform Guidance (e.g., significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).

There were no federal award findings or questioned costs.

State Award Findings and Questioned Costs

This section identifies the audit findings pertaining to noncompliance with state program rules and regulations.

There were no state award findings or questioned costs.

Fruitvale Elementary School District
Summary Schedule of Prior Audit Findings
June 30, 2025

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
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There were no prior year findings or questioned costs.

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APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE CITY OF BAKERSFIELD AND KERN COUNTY

The following information concerning the City of Bakersfield (the “City”) and Kern County (the “County”) is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of the City, the County, the State or any of its political subdivisions (other than the District), and neither the City, the County, the State nor any of its political subdivisions (other than the District) is liable therefor.

General

The City. The City is located in the County, California, at the southern end of the San Joaquin Valley, approximately 110 miles north of Los Angeles and 290 miles south of San Francisco. The City maintains an incorporated area of approximately 148 square miles, with an additional 170 square miles of land located within the City’s sphere of influence.

The City was incorporated on January 11, 1898, under the general laws of the State. The City is a charter city with a council/manager form of government. The City Council is comprised of seven council members, elected by ward on a staggered basis for a term of four years. The mayor is directly elected for a four-year term. The council appoints the City Attorney and the City Manager, who also serves as the Executive Director of the Bakersfield Redevelopment Agency.

The City is a regional center for industry, government, transportation, retail trade, medical services, and oil field operations. Major manufacturing activities include iron and steel fabrication, plastic foam products, food products, petroleum refining, and textiles. The City is one of the leading convention centers in the State and is the commercial hub of the County. As the County seat, it is the location of many county, state, and federal offices.

The County. The District lies in the County, which is located approximately 100 miles north of Los Angeles County in south-central California. The County is the third largest county in California, covering 8,073 square miles. Surrounded by three major mountain ranges, the County has three climatic zones; valley, mountain and high desert. Bordered on the west by San Luis Obispo and Santa Barbara Counties, to the east by San Bernardino County and on the north by Kings, Tulare and Inyo Counties, the County measures 120 miles east to west and 67 miles north to south. Bakersfield is the largest city in the County and serves as the county seat.

The County's economy is heavily linked to agriculture and to petroleum extraction. There is also a strong aviation, space, and military presence, such as Edwards Air Force Base, the China Lake Naval Air Weapons Station, and the Mojave Air and Space Port.

Population

The following table lists population figures for the County and major cities in the County (including the City) as of January 1, for the last five completed calendar years.

**KERN COUNTY
Population Estimates
Calendar Years 2021 through 2025**

<u>Area</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Arvin	19,785	19,611	19,504	19,796	19,991
Bakersfield	405,150	408,574	409,044	414,451	419,238
California City	15,006	15,045	14,864	13,189	13,317
Delano	49,750	51,173	52,086	52,966	52,831
Maricopa	1,026	1,020	1,012	1,018	1,024
Mcfarland	13,899	13,910	13,731	13,902	14,213
Ridgecrest	28,101	28,082	27,893	28,307	28,386
Shafter	19,958	20,482	21,351	22,399	23,455
Taft	7,261	7,053	7,020	7,089	7,087
Tehachapi	12,267	12,439	11,975	11,122	11,476
Wasco	25,366	26,881	26,899	27,221	26,235
Unincorporated	308,553	306,474	303,842	306,545	306,708
County Total	906,122	910,744	909,221	918,005	923,961

Source: State Department of Finance estimates (as of January 1).

Employment and Industry

The District is included in the Bakersfield-Delano Metropolitan Statistical Area (the “MSA”), which consists of the County. The unemployment rate in the County was 9.5% in February 2026, up from a revised 9.2% in January 2026, and above the year-ago estimate of 9.3%. This compares with an unadjusted unemployment rate of 5.5% for California and 4.7% for the nation during the same period.

The table below provides information about employment rates and employment by industry type for the County for calendar years 2021 through 2025.

**BAKERSFIELD-DELANO MSA
(KERN COUNTY)
Annual Average Civilian Labor Force, Employment and Unemployment,
Employment by Industry
Calendar Years 2021 through 2025
(March 2025 Benchmark)**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Civilian Labor Force ⁽¹⁾	388,100	393,000	401,400	408,100	n/a
Employment	349,500	365,300	368,700	372,800	n/a
Unemployment	38,500	27,700	32,800	35,300	n/a
Unemployment Rate	9.9%	7.1%	8.2%	8.6%	n/a
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	60,600	60,400	57,900	57,200	51,700
Mining and Logging	7,400	7,800	7,800	7,200	6,700
Construction	15,500	16,700	16,200	16,100	16,100
Manufacturing	12,200	12,600	12,800	13,500	13,700
Wholesale Trade	7,700	8,200	8,400	8,400	8,200
Retail Trade	32,300	32,900	32,400	32,000	32,000
Transportation, Warehousing, Utilities	19,700	22,100	20,800	20,200	20,100
Information	1,500	1,600	1,700	1,700	1,700
Finance and Insurance	4,400	4,200	4,100	4,200	4,200
Real Estate and Rental and Leasing	3,200	3,400	3,400	3,500	3,600
Professional and Business Services	26,000	27,000	26,800	26,200	27,100
Educational and Health Services	41,600	44,300	47,900	52,100	56,700
Leisure and Hospitality	26,500	29,400	30,200	29,700	29,700
Other Services	7,900	8,800	8,900	8,700	8,600
Federal Government	11,300	11,000	11,000	11,200	11,100
State Government	9,800	9,800	9,800	9,500	9,200
Local Government	43,700	46,500	50,200	51,600	52,900
Total all Industries ⁽³⁾	331,400	346,600	350,300	352,800	353,400

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Major Employers

The table below lists the major employers in the County as of April 2026, listed alphabetically.

**KERN COUNTY
Major Employers
As of April 2026**

Employer Name	Location	Industry
Adventist Health Bakersfield	Bakersfield	Hospitals
California Correctional Instn	Tehachapi	State Govt-Correctional Institutions
California Department Crrctn	Delano	City Govt-Correctional Institutions
Chevron Corp	Bakersfield	Management Services
Community Action Partnership	Bakersfield	Social Service & Welfare Organizations
Dignity Health Mercy Downtown	Bakersfield	Hospitals
Dignity Health-Memorial Hosp	Bakersfield	Hospitals
Edwards Air Force Base	Edwards	Military Bases
Ensign United States Drilling	Bakersfield	Energy Management Systems & Products
Foster Care Human Svc	Bakersfield	Foster Care
Frito-Lay Inc	Bakersfield	Potato Chips Corn Chips/Snacks (mfrs)
Grimmway Farms	Arvin	Fruits & Vegetables-Growers & Shippers
Kern County Human Svc Dept	Bakersfield	Government Offices-County
Kern High School District	Bakersfield	School Districts
Marko Zaninovich Inc	Mcfarland	Fruits & Vegetables-Growers & Shippers
Nabors Completion-Production	Bakersfield	Oil Field Service
Nasa/Armstrong Flight Research	Edwards	Alternative Fuels
Naval Air Warfare Ctr	Ridgecrest	Military Bases
Paramount Farms Huller 4	Lost Hills	Farms
Ridgecrest Regional Hospital	Ridgecrest	Hospitals
Robertson's Ready Mix	California City	Concrete-Ready Mixed
Sun Pacific	Bakersfield	Fruits & Vegetables-Growers & Shippers
Vasinda Investments Inc	Bakersfield	Home Health Service
Wasco State Prison Fire Dept	Wasco	State Govt-Correctional Institutions
Wonderful Citrus LLC	Delano	Citrus Growers

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2026 1st edition.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2022 through 2026.

**CITY OF BAKERSFIELD, KERN COUNTY, THE STATE OF CALIFORNIA
AND THE UNITED STATES
Effective Buying Income
As of January 1, 2022 through 2026**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2022	City of Bakersfield	\$9,935,717	\$61,602
	Kern County	19,889,061	54,336
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Bakersfield	\$10,718,268	\$63,317
	Kern County	21,106,111	55,410
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Bakersfield	\$11,383,851	\$67,099
	Kern County	22,360,644	58,740
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Bakersfield	\$11,597,192	\$68,457
	Kern County	22,615,466	60,937
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687
2026	City of Bakersfield	\$12,870,513	\$75,243
	Kern County	25,383,057	67,849
	California	1,730,654,738	90,403
	United States	13,932,177,817	75,433

Source: Claritas, LLC.

Commercial Activity

A summary of historic taxable sales within the City and County during the past five years in which data is available is shown in the following table.

Total taxable sales during calendar year 2025 in the City were reported to be \$7,863,870,972, a 1.13% decrease from the total taxable sales of \$7,953,894,244 reported during calendar year 2024.

CITY OF BAKERSFIELD
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Figures in Thousands)

Year	Retail Stores		Total Outlets	
	Retail Permits on July 1	Taxable Transactions	Total Permits on July 1	Taxable Transactions
2020	7,582	\$5,278,184	11,582	\$6,356,166
2021	7,419	6,573,687	11,300	7,833,568
2022	7,662	6,752,288	11,815	8,227,405
2023	7,282	6,624,358	11,348	8,068,291
2024	7,172	6,550,368	11,290	7,953,894

Source: State Department of Tax and Fee Administration.

Total taxable sales during calendar year 2025 in the County were reported to be \$22,463,416,449, a 0.15% increase over the total taxable sales of \$22,428,790,259 reported during calendar year 2024.

KERN COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Figures in Thousands)

Year	Retail Stores		Total Outlets	
	Retail Permits on July 1	Taxable Transactions	Total Permits on July 1	Taxable Transactions
2020	14,564	\$10,769,341	23,038	\$16,145,355
2021	13,760	13,217,000	22,039	19,397,379
2022	14,225	15,839,253	23,099	22,919,753
2023	13,540	15,856,409	22,252	23,118,596
2024	13,527	15,256,663	22,430	22,428,790

Source: State Department of Tax and Fee Administration.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL LLP]

[Closing Date]

Board of Trustees
Fruitvale School District
7311 Rosedale Hwy.
Bakersfield, California 93308

OPINION: \$_____ Fruitvale School District
 General Obligation Bonds, Election of 2024, Series A

Members of the Board of Trustees:

We have acted as bond counsel to the Fruitvale School District (the "District") in connection with the issuance by the District of \$_____ principal amount of Fruitvale School District (Kern County, California) General Obligation Bonds, Election of 2024, Series A, dated the date hereof (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Trustees of the District (the "Board") on May 12, 2026 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is duly established and validly existing as a school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.
2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District, enforceable against the District in accordance with its terms.
3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the Board of Supervisors of Kern County is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
FRUITVALE SCHOOL DISTRICT
(Kern County, California)
General Obligation Bonds,
Election of 2024, Series A

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the Fruitvale School District (the “**District**”) in connection with the execution and delivery of the above-captioned bonds (the “**Bonds**”). The Bonds are being executed and delivered pursuant to a resolution adopted by the Board of Trustees of the District on May 12, 2026 (the “**Resolution**”). Zions Bancorporation, National Association, is initially acting as paying agent for the Bonds (the “**Paying Agent**”).

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

“*Annual Report Date*” means the date not later than nine months after the end of each fiscal year of the District.

“*Dissemination Agent*” means, initially, Fieldman, Rolapp & Associates, Inc. dba Applied Best Practices, or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

“*Listed Events*” means any of the events listed in Section 5(a).

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“*Official Statement*” means the final official statement executed by the District in connection with the issuance of the Bonds.

“*Paying Agent*” means Zions Bancorporation, National Association, or any successor thereto.

“*Participating Underwriter*” means the original Purchaser of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2027, with the report for the 2025-26 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice to the MSRB in a timely manner, in an electronic format, as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year or, if available at the time of filing, the then-current fiscal year:

- (i) total assessed value of taxable property in the District;
- (ii) the top twenty secured property taxpayers and their respective secured property assessed values;
- (ii) property tax levies, collections and delinquencies, but only if the District's general obligation bond collections are not included on Kern County's Teeter Plan; and
- (iii) the District's most recently approved Budget or interim report, which is available at the time of filing the Annual Report.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business

of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Fieldman, Rolapp & Associates, Inc. dba Applied Best Practices. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2026

FRUITVALE SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

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APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (in this Appendix, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

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APPENDIX G
KERN COUNTY INVESTMENT POLICY
AND INVESTMENT REPORT

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County of Kern

Investment Policy

Effective 12/16/2025



**OFFICE OF THE TREASURER-TAX COLLECTOR
COUNTY OF KERN**

**TREASURER’S STATEMENT OF INVESTMENT POLICY
*Approved By the Board of Supervisors December 10, 2024***

INTRODUCTION AND OVERVIEW:

The County of Kern is a political subdivision of the State of California organized in 1866, with Bakersfield as the county seat. The County covers an area of approximately 8,160 square miles in the southern end of the California’s Central Valley. The County’s economy is heavily linked to agriculture and to petroleum extraction. There is also a strong aviation, space, and military presence, such as Edwards Air Force Base, the China Lake Naval Air Weapons Station, and the Mojave Air and Space Port. The County is overseen by the five members of the Board of Supervisors.

FIDUCIARY RESPONSIBILITY, GOVERNING AUTHORITY, AND PRUDENCE:

CGC Section 27000.3, declares each Treasurer, or governing body authorized to make investment decisions on behalf of local agencies, to be a fiduciary subject to the prudent investor standard as stated in CGC Section 53600.3:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.”

INVESTMENT PROGRAM OVERSIGHT:

In accordance with the CGC Section 27131, the Board of Supervisors has established a Treasury Oversight Committee. The Treasury Oversight Committee will render unbiased and objective opinions on matters involving the Treasurer’s investment of public funds. Specifically, the law requires that the Treasury Oversight Committee meet to:

1. Review the Treasurer’s annual Investment Policy Statement and any subsequent changes thereto, prior to its submission to the Board of Supervisors for review and adoption,
2. Review the Treasurer’s investment portfolio reports and the portfolio’s compliance with law and this Investment Policy,
3. Cause an external annual audit to be conducted on the Treasurer’s Pooled Investment portfolio.

All meetings of the Oversight Committee are to be open to the public and subject to the Ralph M. Brown Act. By law, the Treasury Oversight Committee is not allowed to direct individual

investment decisions, nor select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the County Treasury.

This Policy shall be reviewed annually by the County's Treasury Oversight Committee and approved by the County Board of Supervisors. The purpose of this Policy is to establish cash management and investment guidelines for the County Treasurer, who is responsible for the management and investment of the County Treasurer's Pool, which consists of pooled monies held on behalf of the County, school districts, community college districts and certain special districts within the County.

SCOPE:

The County of Kern's Investment Policy has been prepared in accordance with California Government Code (CGC) sections 53630 et seq. The complete text of California Government Code Section 53630 is set forth on the Internet at www.leginfo.ca.gov.

This Policy shall apply to all investments held within the County Treasurer's Pool and made on behalf of the County and member agencies of the Pool with the exception of certain bond funds for which the Board of Supervisors may specifically authorize other allowable investments, consistent with State law. Also exempt from this Policy are retirement funds and other post employment benefit (OPEB) funds managed through an external trust. The Treasurer and Treasurer's staff are responsible for the full-time management of the Pool. All investments and activities of the Treasurer and staff are conducted with the understanding that the Treasurer holds a public trust with the citizens of the County, which cannot be compromised.

POLICY STATEMENT:

The purpose of this Investment Policy is to establish investment guidelines for the County Treasurer, who is responsible for the stewardship of the County's Investment Program. Each transaction and the entire portfolio must comply with applicable CGC, and this Policy. All investment program activities will be judged by the standards of the Policy and ranking of Primary Investment Objectives. Those activities that violate its spirit and intent will be deemed to be contrary to the Policy. This Policy conforms to customary standards of prudent investment management.

PRIMARY INVESTMENT OBJECTIVES:

It is the Policy of the Treasurer to invest public funds in a manner which will preserve the safety and liquidity of all investments within the County Investment Pool while obtaining a reasonable return within established investment guidelines. The portfolio should be actively managed in a manner that is responsive to the public trust and consistent with State law. Accordingly, the County Treasurer's Pool will be guided by the following principles, in order of importance:

- A. Safety of Principal:** Safety of principal is the foremost objective of the County's investment program. Investments by the County Treasurer shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification of security types, sectors, issuers, and maturities is necessary in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. Liquidity: The investment portfolio shall be structured to timely meet expected cash flow needs and associated obligations which might be reasonably anticipated. This objective shall be achieved by matching investment maturities with forecasted cash outflows and maintaining an additional liquidity buffer for unexpected liabilities.

C. Investment Income: The investment portfolio shall be designed to earn a market rate of investment income in relation to prevailing budgetary and economic cycles, while taking into account investment risk constraints and liquidity needs of the portfolio.

PRIMARY INVESTMENT PHILOSOPHY:

The primary investment philosophy of the County is to match investment maturities with expected cash outflows. Securities shall generally be held until maturity, with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- Liquidity needs of the portfolio require that the security be sold.
- A security rebalance would improve the quality, yield, or target duration in the portfolio.

AUTHORIZED INVESTMENTS:

Investments shall be restricted to those authorized in the CGC and as further restricted by this policy statement, with the exception of certain bond funds in which the Board of Supervisors has specifically authorized other allowable investments. All investments shall be further governed by the restrictions shown in Schedule I which defines the type of investments authorized, maturity limitations, portfolio diversification (maximum percent of portfolio), credit quality standards, and purchase restrictions that apply. Whenever a maximum allowable percentage of the portfolio is stipulated for any type of security or structural maturity range, the limit or maximum allowable is determined by the portfolio size at the close of the date on which the security is settled.

In conjunction with these restrictions, County Treasurer staff shall diversify its investments by security type, issuer and maturity. The purpose of this diversification is to reduce portfolio risk by avoiding an over concentration in any particular maturity sector, asset class or specific issuer. As Agency security holdings are the largest portion of the Pool, diversification among the Agency issuers should be considered to the extent practical when making investments.

PROHIBITED INVESTMENTS:

No investment shall be made that is prohibited by 53601.6 as may be from time to time amended.

STAFF AUTHORIZED TO MAKE INVESTMENTS:

Only the Treasurer, Assistant Treasurer, and Principal Treasury Investment Officer, when acting as the Investment Officer, are authorized to purchase and order the receipt and delivery of investment securities among custodial security clearance accounts.

AUTHORIZED BROKER/DEALERS:

The County Treasurer shall maintain an 'Eligible Broker/Dealer List'. Firms eligible to do business with the County are:

- Primary Broker/Dealers eligible to trade with the New York branch of the Federal Reserve Bank
- Regional Broker/Dealers meeting the minimum capital requirements of the Securities Exchange Commission
- Introducing Brokers meeting the minimum capital requirements of the Securities Exchange Commission
- National or State banks, domestic branches of properly licensed foreign banks, credit unions, savings and loan institutions, thrift associations
- Direct Issuers meeting the appropriate credit criteria for the securities being offered
- Other institutions as authorized by law

All firms with whom the County does business shall comply with the requirements set forth in Schedule IV.

Further, in compliance with CGC Section 27133(c) & (d), no dealer and/or securities firm shall be eligible if they have made a political contribution in excess of the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board or exceeded the limit on honoraria, gifts, and gratuities set by State law, or by the Fair Political Practices Commission, by County Ordinance or Departmental Policy.

AUTHORIZED INVESTMENT ADVISORS:

The County may enter into an agreement with an investment advisor for investment advisory services, and the investment advisor will operate under the direction of the County Treasurer. The investment advisor shall be registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The investment advisor shall offer to send on an annual basis to the County Treasurer form ADV Part 1 and form ADV Part 2.

DUE DILIGENCE:

County Treasurer staff shall conduct a thorough review and perform due diligence of all firms seeking to do business with the County prior to conducting transactions with those parties and on a continuing basis. This due diligence may include a periodic review of recent news, financial statements and SEC filings related to each entity.

INTERNAL CONTROL:

The County Treasurer has established a system of internal control to provide reasonable assurance that the investment objectives are met and to ensure that the assets of the County Treasury Pool are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that the cost of control shall not exceed the benefits likely to be derived and that the valuation of costs and benefits require estimates and judgments by management. The County Treasurer shall develop and maintain written procedures for the operation of the investment

program, which are consistent with this policy. These procedures shall include reference to separation of duties, safekeeping, collateralization, wire transfers and banking related activities.

Except for declared emergencies, the County Treasurer's Office shall observe the following procedures on a daily basis:

1. All investment transactions conducted by the County Treasurer's Office shall be immediately confirmed and entered into the Treasurer's Portfolio Accounting System.
2. A copy of each day's investment transactions shall be filed with the County Auditor-Controller.
3. County investments shall be executed, confirmed, accounted for, and audited by different people.

SECURITY CUSTODY & DELIVERIES:

All securities purchased shall be deposited for safekeeping with the Custodial Bank that has contracted to provide the County Treasurer with custodial security clearance services or with a tri-party custodian bank under a written tri-party custody agreement. These third party trust department arrangements provide the County with a perfected interest in, ownership of and control over the securities held by the bank custodian on the County's behalf, and are intended to protect the County from the bank's own creditors in the event of a bank default and filing for bankruptcy. Securities are not to be held in investment firm/broker dealer accounts. All security holdings shall be reconciled monthly by the County Treasurer and audited at least quarterly by the County Auditor.

All security transactions are to be conducted on a "delivery-versus-payment basis". All trades will be immediately confirmed with the Broker/Dealer and reconfirmed through the Custodian Bank.

COMPETITIVE PRICING:

Investment transactions are to be made at current market prices. Wherever possible, competitive prices should be obtained through obtaining multiple bids or offers. When possible, bids and offers for any investment security shall be taken from a minimum of three security dealers/brokers or banks and awards shall be made to the best bid or offer. The primary source of pricing information and guidance will be that information available through Bloomberg LLP, a world-wide financial news service to which the County subscribes.

LIQUIDITY AND MATURITY PARAMETERS:

The portfolio will maintain a weighted-average maturity of no greater than 2.5 years. To provide sufficient liquidity to meet daily expenditure requirements, the portfolio will maintain at least 30% of its total book value in securities having a maturity of one (1) year or less.

PORTFOLIO EVALUATION AND PERFORMANCE:

The portfolio is monitored and evaluated daily, monthly, and quarterly by the County Treasurer's Office. Monthly market value pricing is provided by a third party. Earned yield is calculated each month. Benchmarks for earned yield and investment performance will be commensurate with the Pool's investment goals, credit limits, and target weighted average maturity and duration.

MITIGATING MARKET & CREDIT RISKS:

Safety of principal is the primary objective of the portfolio. Each investment transaction shall seek to minimize the County's exposure to market and credit risks by giving careful and ongoing attention to the: (1) credit quality standards issued by Standard & Poor's, Moody's and Fitch's rating services on the credit worthiness of each issuer of securities, (2) limiting the duration of investments to the time frames noted in Schedule I, and (3) by maintaining the diversification and liquidity standards expressed within this policy.

In the event of a downgrade of a security held in the portfolio, the Principal Treasury Investment Officer shall report the downgrade to the Treasurer within a maximum of 3 days. In the event of a downgrade below the minimum credit ratings authorized by this policy, the security shall be evaluated on a case-by-case basis to determine whether the security shall be sold or held. Every effort will be made to sell such a security without a book loss. In the event of a potential loss upon sale, the Treasurer will evaluate whether to hold or sell the security based on the amount of loss, remaining maturity and any other relevant factors including the issuer's default risk, headline risk, and short term vs. long term financial metrics.

TRADING & EARLY SALE OF SECURITIES:

Securities should be purchased with the intent of holding them until maturity. However, in an effort to minimize market risks, credit risks, and increase the return of the portfolio, securities may be sold prior to maturity either at a profit or loss when economic circumstances or a deterioration in credit worthiness of the issuer warrant a sale of the securities to either enhance overall portfolio return or to minimize loss of investment principal. In measuring a profit or loss, the sale proceeds shall be compared to the original cost of the security plus accrued interest earned and/or any accretion or amortization of principal on the security from the date of purchase or the last coupon date, to the date of sale.

PORTFOLIO REPORTS/AUDITING:

On a monthly basis, the County Treasurer shall prepare and file with the Board of Supervisors, the County Administrative Officer, and County Auditor-Controller, a report consisting of, but not limited to, the following:

1. Monthly investment transactions, investments detailing each by type, issuer, date of maturity, par value and stating the book vs. current market value together with all other portfolio information required by law.
2. Compliance of investments to the existing County Investment Policy.
3. A statement confirming the ability of the Pool to meet anticipated cash requirements for the Pool for the next six months.

CALCULATION PARAMETERS:

Calculations of percentage allocations shall be done at the time of purchase and formulated on book value. Weighted average maturity is calculated using a security's stated final maturity and using the settlement date.

QUARTERLY DISTRIBUTION OF INVESTMENT EARNINGS:

All moneys deposited in this Pool by the participants represent an individual interest in all assets and investments in the Pool based upon the amount deposited. Portfolio income shall be reconciled daily against cash receipts, and quarterly prior to the distribution of earnings among those entities sharing in pooled fund investment income. Nonetheless, actual portfolio income and/or losses, net of any reserves, will be distributed quarterly using the accrual basis of accounting, in compliance with the CGC Section 53684, among those participants sharing in pooled investment income. Except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made, all investment income is to be distributed pro-rata based upon each participant's average daily cash balance for the calendar quarter.

QUARTERLY APPORTIONMENT OF ADMINISTRATIVE COSTS:

Prior to the quarterly apportionment of pooled fund investment income, the County Treasurer is permitted by CGC Section 53684 to deduct from investment income before the distribution thereof, the actual cost of the investments, auditing, depositing, handling and distribution of such income. Accordingly, the Treasurer shall deduct from pooled fund investment earnings the actual cost incurred for banking and investment related services including but not limited to: wire transfers, custodial safekeeping charges, necessary capital outlays, the costs of investment advisory services, credit ratings, the pro-rata annual cost of the salaries including fringe benefits for the personnel in the Treasurer-Tax Collector's Office engaged in the administration, investment, auditing, cashiering, accounting, reporting, remittance processing and depositing of public funds for investment, together with the related computer and office expenses associated with the performance of these functions.

WITHDRAWAL OF FUNDS:

The Treasurer's Investment Policy establishes guidelines for unusual or unexpected withdrawal of cash and provides for adequate liquidity to cover day-to-day operations of Pool depositors. On occasion, depositors have need of withdrawals that exceed those normally associated with operations. To accommodate such withdrawals, the Treasurer-Tax Collector's Office has established written notification requirements as set forth below to allow for adjustments to the liquidity position of the Portfolio. The notification required is as follows:

Withdrawals of up to \$10,000,000	24 hours
Withdrawals of \$10,000,001 and more	72 hours

Notification should be by email to TTC@kerncounty.com. Failure to adhere to these requirements may result in payment being delayed by the Treasurer-Tax Collector's office.

Pursuant to CGC Section 27136, any local agency, public agency, public entity, or public official that has funds on deposit in the County Treasury Pool and that seeks to withdraw funds for the purpose of investing or depositing those funds outside the County Treasury Pool is required to first submit a request for the withdrawal to the County Treasurer-Tax Collector before withdrawing funds from the County Treasury Pool. Prior to approving such a request, the County Treasurer will find that the withdrawal will not adversely affect other depositors in the County Treasury Pool. Approval of the withdrawal does not constitute approval or endorsement of the investment.

POLICY CRITERIA FOR AGENCIES SEEKING VOLUNTARY ENTRY INTO COUNTY INVESTMENT POOL:

The County Treasurer is not soliciting nor accepting any new agency's voluntary entry into the County Treasurer's Pool.

ETHICS & CONFLICTS OF INTEREST:

Officers and staff members involved in the investment process shall refrain from any personal business activity that compromises the security and integrity of the County's investment program or impairs their ability to make impartial and prudent investment decisions. The County Treasurer-Tax Collector, Assistant Treasurer-Tax Collector, and Principal Treasury Investment Officer are required to file annually the applicable financial disclosure statements as mandated by the Fair Political Practices Commission (FPPC) and/or by County Ordinance. In addition, the Principal Treasury Investment Officer is required to sign and abide by an Ethics Policy instituted by the Treasurer.

LIMIT ON RECEIPT OF HONORARIA, GIFTS, AND GRATUITIES:

Employees responsible for the management of the County's Investment Pool shall not accept honoraria, gifts or gratuities from any advisor, broker, dealer, banker or other person with whom the County Treasurer conducts business, in excess of specifications of CGC in any fiscal year.

BUSINESS CONTINUITY:

The County Treasurer has developed a Business Continuity Plan (Plan) describing the County's anticipated response to a range of events that could significantly disrupt its business. Because the timing and impact of disasters, emergencies and other events is unpredictable, flexibility is necessary when responding to actual disruptions as they occur. With that in mind, the goal of the Plan is to resume operations as quickly and smoothly as possible.

The County Treasurer's Plan for responding to a significant business disruption addresses safeguarding of employees' lives and County's property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the County's books and records, and allowing the continued ability to manage the investment program and transact business.

ONGOING TRAINING AND EDUCATION:

The County strives for professionalism and accountability in the investment of its funds. In order to assure the highest possible professional standards, the personnel involved in the investment function shall complete at least 16 hours per year of continuing education programs or other training in cash and investment management.

POLICY ADOPTION & AMENDMENTS:

This policy statement will become effective immediately following adoption by the Board of Supervisors, and will remain in force as long as the delegation of authority to the Treasurer to invest is in effect and until subsequently amended in writing by the County Treasurer, reviewed by the Treasury Oversight Committee and approved by the Board of Supervisors.

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**OFFICE OF THE TREASURER
COUNTY OF KERN
STATEMENT OF INVESTMENT POLICY**

Schedule I

Authorized Investments

AUTHORIZED INVESTMENTS	MAXIMUM HOLDINGS	PURCHASE RESTRICTIONS	MAXIMUM MATURITY	CREDIT QUALITY (S&P/MOODY'S/FITCH)
Inactive Accounts aka Money Market Accounts	\$50,000,000 per account	Limited to depository's described in CGC 53630.5	Daily	Collateralization requirements per Govt Code section 53652.
U.S. Treasury Obligations	100%	None	5 years	Not Applicable
Notes, participation's or obligations issued by an agency of the Federal Government or U.S. government-sponsored enterprises	75%	Maximum per issuer limit of 40%	5 years	Not Applicable
Bonds, notes, warrants or certificates of indebtedness issued by the State of California	10%	None	5 years	AA by at least 2 of the 3 rating agencies
Cash substitutes issued by the State of California	25%	Applies only to cash substitutes issued by the State during periods of fiscal emergency	5 years	Not Applicable
Bonds, notes, warrants or certificates of indebtedness issued by agencies within the State of California	10%	None	5 years	AAA by at least 2 of the 3 rating agencies
Bonds, notes, warrants or certificates of indebtedness issued by any of the other 49 states	10%	See Note 1	5 years	AAA by at least 2 of the 3 rating agencies
Bankers Acceptances	30%	See Note 1	180 Days	Minimum A-1, P-1 or F1

Commercial paper of U.S. Corps with total assets in excess of \$500 MM	40% total for all Commercial Paper	Max 10% of outstanding paper of any one issuer & max. See Note 1	270 Days	Minimum A-1, P-1 or F1
Asset-backed Commercial Paper	Included in Commercial Paper Requirements	Issuer must have program-wide credit enhancements	270 Days	Minimum A-1, P-1 or F1
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF	LAIF Policies	Daily	Not Applicable
Negotiable CD's issued by US National or State chartered banks or a savings association or a federal association, a state or federal credit union, or by a federally licensed or state licensed branch of a foreign bank	30%	See Note 1	5 years	Minimum A-1, P-1 or F1 for CDs issued with a maturity of one year or less. AA for CDs issued with a maturity of more than one year (must be rated by 2 of the 3 rating agencies)
Collateralized Certificates of Deposit/Deposits	10%	As stipulated in Article 2, Section 53630 et al of the Calif. Government Code	1 year	See Section 53630 et al of the California Government Code
Repurchase Agreements with 102% collateral	40%	Repurchase Agreements(contracts) must be on file	180 days	Restricted to Primary Dealers on Eligible Dealer list
Reverse Repurchase Agreements	10%	See Schedule II	92 days (See Schedule III)	Restricted to Primary Dealers on Eligible Dealer list
Medium Term Notes of corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	30%	See Note 1	5 years	Minimum rating of AA for maturities exceeding 1 year. A for maturities of one year or less. (must be rated by 2 of the 3 rating agencies)
Money Market Mutual Funds that meet requirements of Calif. Gov't. Code	20%	Registered with SEC. No NAV adjustments. No Front-end loads. No more than 10% per MMF.	Daily	AAAm or equivalent by at least 2 of the 3 rating agencies or advisor requirements

Shares of beneficial interest issued by a JPA aka Local Government Investment Pools (LGIPs)	10%	Max 20% of a JPA pool at time of purchase	Daily	Advisor requirements
Asset-Backed Securities	10%	See Note 1	5 years	AAA by at least 2 of the 3 ratings agencies
Supranationals	10%	International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) only. Permitted by CGC 53601 (q) and this policy effective January 1, 2015.	5 years	AAA by at least 2 of the 3 rating agencies

Note 1: Maximum investment per issuer across all investment types will not exceed 6% of the total book value of the Pool as of date of settlement.

Note 2: Consistent with the Government Code, rating criteria in this policy do not specify any modifier (+/- or 1/2/3) and it is implied that ratings with a modifier still meet the rating requirements of this policy regardless of modifier.

Note 3: While references to ratings of AAA, AA, A are in S&P's nomenclature, they imply the equivalent ratings by all other rating agencies.

MATURITY STRUCTURE		
Maturity Range	No less Than	No more than
0-366 Days - 0 to 12months	30%	n/a
367- 1097 Days – greater than 1 year to 3 years	n/a	70%
1098-1827 Days – greater than 3 years to 5 years	n/a	30%

The weighted-average maturity of the portfolio will not exceed 2.5 years.

Some securities purchased by the Pool will be callable securities. Callable securities are subject to redemption prior to the final maturity date. For accounting purposes, premiums will be amortized to the next applicable call date, whereas discounts will be accreted to the final maturity date. Callable securities will not exceed 20% of the portfolio.

Some callable securities have coupons that increase at specified periods if the security is not called (step-up notes). Step-up notes will be included in the 20% allocation of callable notes, but will not exceed 10% of the total portfolio.

REPURCHASE AGREEMENTS

Repurchase agreements are restricted to primary dealers of the Federal Reserve Bank of New York. All counterparties must sign a PSA Master Repurchase Agreement and for tri-party repurchase agreements a Tri-Party Repurchase Agreement as well before engaging in any repurchase agreement transactions. Collateral for repurchase agreements shall have a market value of at least 102% of the amount invested and must be marked to market by staff or by an independent third-party or custodial bank acting under contract to the County. Collateral for term

repurchase agreements should be marked to market on a regular basis. Repurchase agreements are required to be collateralized by securities authorized under Section 53601 et. seq. of the California Government Code. Confirmations resulting from securities purchased under repurchase agreements should clearly state (A) the exact and complete nomenclature of the underlying securities purchased; (B) that these securities have been sold to the County under a repurchase agreement; and (C) the stipulated date and amount of the resale by the County back to the seller of the securities.

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**OFFICE OF THE TREASURER
COUNTY OF KERN
STATEMENT OF INVESTMENT POLICY**

SCHEDULE II

POLICY STATEMENT ON REVERSE REPURCHASE AGREEMENTS

The Treasurer hereby institutes the following policies as further safeguards governing investments in Reverse Repurchase Agreements.

The total of Reverse Repurchase Agreement transactions shall not exceed 10 percent of the base value of the portfolio. The term of such agreements shall not exceed 92 calendar days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using such an agreement and the final maturity date of the same security.

1. All loaned securities subject to Reverse Repurchase Agreements shall be properly flagged and immediately accounted for in the Treasurer's financial system.
2. Investments purchased from the loaned proceeds of the Reverse Repurchase Agreement shall have maturities not exceeding the due date for repayment of the Reverse Repurchase Agreement transaction.
3. Only U.S. Treasury Notes and Federal Agency securities owned, fully paid for, and held in the Treasurer's portfolio for a minimum of 30 days can be subject to Reverse Repurchase Agreements.
4. Reverse Repurchase Agreements shall only be placed on portfolio securities:
 - (a) intended to be held to maturity
 - (b) fully paid for and held in the portfolio for a minimum of 30 days
5. Reverse Repurchase Agreements shall only be made with the authorized primary dealers of the Federal Reserve.
6. A contractual agreement must be in place prior to entering into a Reverse Repurchase Agreement with any authorized primary dealer.
7. Reverse Repurchase Agreement transactions shall have the approval of the County Treasurer.

**OFFICE OF THE TREASURER
COUNTY OF KERN
STATEMENT OF INVESTMENT POLICY**

SCHEDULE III

POLICY CRITERIA FOR COLLATERALIZED CERTIFICATE OF DEPOSITS

1. The issuing bank must provide us with an executed copy of the authorization for deposit of moneys.
2. The money-market yield on the certificate of deposit must be competitive to negotiable CD's offered by banks on the County's pre-approved list in the maturities desired by the County. The County Treasurer's Office reserves the right to negotiate higher yields based on market conditions at the time.
3. Collateral Requirements – The County will only accept municipal government securities (“muni bonds”) or U.S. Treasury and Agency securities as collateral. The collateral must be held by a separate custodial bank in an account in the name of Kern County. The County must have a perfected interest in the collateral.
 - a. For municipal government securities, the following requirements are listed:
 - i. Securities must be issued by governmental agencies located within the State of California (generally general obligation bonds and revenue bonds only)
 - ii. Securities must be “AAA” rated
 - iii. Maximum maturity of securities is 5 years
 - iv. Collateral must be priced at 110% of the face value of the CD on a daily basis
 - v. Minimum face value of \$5 million per pledged security
 - b. For U.S. Treasuries and Agency securities, the following requirements are listed:
 - i. Maximum maturity of securities is 5 years
 - ii. Collateral must be priced at 110% of the face value of the CD on a daily basis
 - iii. Minimum face value of \$5 million per pledged security

The County Treasury must receive written confirmation that these securities have been pledged in repayment of the time deposit. Additionally, a statement of the collateral shall be provided on a monthly basis from the custodial bank.

4. The County Treasurer must be given a current audited financial statement for the financial year just ended. The financial reports must both include a statement of financial condition as well as an income statement depicting current and prior year operations.
5. The County Treasurer must receive a certificate of deposit which specifically expresses the terms governing the transaction, deposit amount, issue date, maturity date, name of depositor, interest rate, interest payment terms (monthly, quarterly, etc.)
6. Deposits will only be made with banks and savings and loans having branch office locations within Kern County.

OFFICE OF THE TREASURER
COUNTY OF KERN
STATEMENT OF INVESTMENT POLICY

SCHEDULE IV

POLICY CRITERIA FOR SELECTION OF BROKER/DEALERS

1. All financial institutions wishing to be considered for the County of Kern's Broker/Dealer List must confirm that they are a member of the Financial Industry Regulatory Authority (FINRA), registered with the Securities & Exchange Commission (SEC), and possess all other required licenses.
2. The County Treasurer's intent is to enter into a long-term relationship. Therefore, the integrity of the firm and the personnel assigned to our account is of primary importance.
3. The assigned staff members must complete a Brokers Certificate stating in writing their acceptance and understanding of the County Treasurer's written Investment Policy guidelines. *Such Certificate must be renewed annually.* This is critical for the establishment of a stable, long-term relationship.
4. It is important that the firm provide related services that will enhance the account relationship which could include:
 - (a) An active secondary market for its securities.
 - (b) Internal credit research analysis on the securities offered for sale.
 - (c) Be willing to purchase securities from our portfolio.
 - (d) Be capable of providing market analysis, economic projections, newsletters.
5. The firm must provide the County with annual financial statements. All firms with whom the County does business must have a stable financial condition.
6. The County Treasury is prohibited from the establishment of a broker/dealer account for the purpose of holding the County's securities. All securities must be subject to delivery at the County's Custodial Bank.
7. Without exception, all transactions are to be conducted on a delivery vs. payment (DVP) basis or for repurchase agreements, on a tri-party basis.
8. The broker/dealer must have been in operation for more than five (5) years.
9. Firms must have adequate financial strength and capital to support the level of trading that is approved. Adequate financial strength will be assessed by a review of the balance sheet and income statement of the dealer.
10. Repurchase Agreement Counterparty Minimum Requirements:
Repurchase agreement counterparties will be limited to (i) primary government securities dealers who report daily to the Federal Reserve Bank of New York, or (ii) banks, savings

and loan associations or diversified securities broker-dealers subject to regulation of capital standards by any State or federal regulatory agency.

Counterparties must have:

- (a) short-term credit ratings of at least A-1/P-1; and
- (b) a minimum asset and capital size of \$25 billion in assets and \$350 million in capital for primary dealers

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GLOSSARY OF TERMS

ACCRUED INTEREST – Interest that has accumulated but has not yet been received.

AGENCY ISSUES – Securities issued by federal agencies, those chartered by the federal government or Government Sponsored Enterprises that are considered to be backed by the federal government. See also Government Sponsored Enterprises.

AMORTIZED COST – The original cost of the principal adjusted for the periodic reduction of any discount or premium from the settlement date until a specific future date (also called “Book Value”).

BANKERS ACCEPTANCE – Money market instrument created from transactions involving foreign trade. Payment is guaranteed by a shipping manifest and a bank Letter of Credit accepted by the seller’s bank.

BASIS POINT – A unit of measurement equal to 1/100 of 1 percent. As an example, the difference between a security yielding 3.25% and one yielding 3.20% is five basis points.

BENCHMARK – An index or security used to compare the performance of a portfolio.

BOND – A long-term debt instrument of a government or corporation promising payment of the original investment plus periodic interest payments by a specified future date.

BOOK RETURN – The sum of all investment income plus changes in the realized gains or losses of a portfolio for a given period.

BULLET – A colloquial term for a bond that cannot be redeemed, or called, prior to maturity.

CALLABLE BOND – A bond in which all or a portion of its outstanding principal may be redeemed prior to maturity by the issuer under specified conditions.

COLLATERALIZATION – Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED CERTIFICATE OF DEPOSIT – A non-negotiable instrument representing a deposit into a bank. The interest rate and maturity are specified on the receipt. It is collateralized by the bank with securities at a minimum of 110% of the deposit amount.

COMMERCIAL PAPER – An unsecured short-term promissory note of a corporation or special purpose entity issued at a specified rate of return for a specified period of time.

COUPON – The stated interest rate on a debt security that an issuer promises to pay.

CREDIT QUALITY – An indication of the risk that an issuer of a security will fulfill its obligation.

CREDIT RATING – A standardized assessment, expressed in alphanumeric characters, of a company’s credit quality.

CREDIT RISK – The risk to an investor that an issuer will default in the payment of interest and/or

principal on a security.

CUSIP – A unique identifier for a security developed by the Committee on Uniform Security Identification Procedures (CUSIP). The identifier is a nine-digit alphanumeric character *string*. The first six characters identify the issuer, the following two identify the issue, and the final character is a Check-digit.

DERIVATIVES – Securities which derive their value from that of another security or an underlying index, currency or other measure. Floating rate notes (also “floaters”) are not considered derivatives.

DISCOUNT INSTRUMENTS – Securities that are sold at a discount to face value.

DIVERSIFICATION – The practice or concept of investing in a range of securities by sector, maturity, asset class or credit quality in order to reduce and spread financial risk.

DOLLAR WEIGHTED AVERAGE MATURITY – The sum of the cost of each security investment multiplied by the number of days to maturity, divided by the total cost of security investments.

EFFECTIVE DURATION – Is a measure of the price volatility of a portfolio that provides an estimate of the projected increase or decrease in the value of that portfolio based upon a decrease or increase in market interest rates. An effective duration of 1.0 means that for every one percent increase in interest rates, the market value of the Portfolio would be expected to decrease by 1.0 percent.

EARNINGS APPORTIONMENT – Is the quarterly interest distribution to the Pool Participants. The actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool prior to apportionment.

GOVERNMENT OBLIGATIONS – Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations of the Federal Government, but involve federal sponsorship or guarantees.

GOVERNMENT SPONSORED ENTERPRISES (GSE’S) – Private, shareholder-owned companies with a relationship with government agencies. These agencies generally are viewed to have an implied guarantee of the U.S. government. These include:

- Federal National Mortgage Association (FNMA)
- Federal Home Loan Bank (FHLB)
- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Mortgage Corporation (FHLMC)

LIQUID – A security that is easily converted to cash because there are many interested buyers and sellers to trade large quantities at a reasonable price.

ILLIQUID – A security that is difficult to buy or sell or has a wide spread between the bid price and offer price in the secondary market. There are few buyers and sellers willing to trade large quantities at a reasonable price.

INTEREST RATE RISK – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value. It is also called “Market

Risk”.

INVERSE FLOATERS – Floating rate notes which pay interest in inverse relationship to an underlying index.

LOCAL AGENCY OBLIGATION – An indebtedness issued by a local agency, department, board, or authority within the State of California.

LONG-TERM – The term used to describe a security when the maturity is greater than one year.

MARKET VALUE – The value of a security at which the principal could be sold from a willing seller to a willing buyer at the date of pricing.

MEDIUM TERM NOTES – These are Corporate Notes and Bank Notes that are debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

MONEY MARKET MUTUAL FUND – A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

NEGOTIABLE CERTIFICATE OF DEPOSIT – A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time, that is traded in secondary markets.

PAR – The stated maturity value, or face value, of a security.

PASS-THROUGH SECURITIES – A debt instrument that reflects an interest in a mortgage pool, consumer receivables pool and equipment lease-backed pool that serves as collateral for a bond. Principal and interest are ‘passed through’ to investors at specified intervals.

POOL – The pooled monies of different government agencies administered by the County Treasurer. Each pool member owns a fractional interest in the securities held in the Pool.

PORTFOLIO VALUE – The total book value amount of all the securities held in the Treasurer’s Pooled Money Fund.

PRIMARY DEALER – A dealer or bank that can buy and sell securities directly with the Federal Reserve Bank of New York.

PRIVATE PLACEMENTS – Securities that do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors. Effective December 8, 2020, Rule 501(a) and Rule 144A of the Securities Act were amended to include government bodies in the definitions of “accredited investor” and “qualified institutional buyer” thereby allowing broker/dealers to sell private placement securities to government entities.

RANGE NOTES – Notes which pay interest only if the underlying index upon which it is benchmarked, falls within a certain range.

REPURCHASE AGREEMENT – A repurchase agreement consists of two simultaneous transactions. One is the purchase of securities by an investor (i.e., the County), the other is the commitment by the seller (i.e. a broker/dealer) to repurchase the securities at the same price,

plus interest, at some mutually agreed future date.

REVERSE REPURCHASE AGREEMENT – The mirror image of Repurchase Agreements. In this instance the County Pool is the seller of securities to an investor (i.e. brokers).

SAFEKEEPING – A Custodian Bank’s action to store and protect an investor’s securities by segregating and identifying the securities.

SETTLEMENT DATE – The date on which cash and securities are exchanged and the transaction completed.

SHORT-TERM – The term used to describe a security when the maturity is one year or less.

SUPRANATIONAL SECURITIES – A supranational organization is formed by a group of countries through an international treaty with specific objectives such as promoting economic development. Supranational organizations also issue debt in the United States. The most commonly recognized supranational debt is issued by the International Bank for Reconstruction and Development (IBRD or World Bank).

TOTAL RETURN – The sum of all investment income plus changes in the capital value of a portfolio for a given period.

VOLUNTARY PARTICIPANTS – Local agencies that are not required to deposit their funds with the County Treasurer.

WEIGHTED AVERAGE MATURITY – The remaining average maturity of all securities held in a portfolio. See Dollar Weighted Average Maturity.

WHEN-ISSUED SECURITIES – A security traded before it is actually *issued*. All Treasury bills, notes and bonds trade in the when-issued market before they are auctioned by the Treasury Department. Agencies and GSE’s also use this method of trading. It serves to establish the initial offering price of the securities.

YIELD – The percentage return that an investor derives from a financial asset.

YIELD TO MATURITY – The percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate.

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Jordan Kaufman
Treasurer and Tax Collector
Chase Nunneley
Assistant Treasurer and Tax Collector

**BROKER/DIRECT ISSUER RECEIPT FOR INVESTMENT POLICY AND
 CERTIFICATE OF COMPLIANCE**

TO:

Jordan Kaufman, Kern County Treasurer-Tax Collector
 Aimee Espinoza, Kern County Auditor-Controller-County Clerk
 1115 Truxtun Avenue
 Bakersfield, CA 93301

By signing below, I _____ of _____
 (Name) (Company)

hereby certify that:

- 1) I have reviewed the Investment Policy governing the Kern County Treasurer’s Pooled Cash Portfolio, and that I understand its content. I am not expected to enforce provisions concerning Average Maturity, Category Limits or Issuer Limits. I am expected to offer only those investments that qualify under the County’s credit requirement as directed in the Policy. The responsibility for overall portfolio structure and composition remains with the County.
- 2) I further certify that I have not made, nor do I intend to make, political contributions to any candidate for any Kern County elective office.

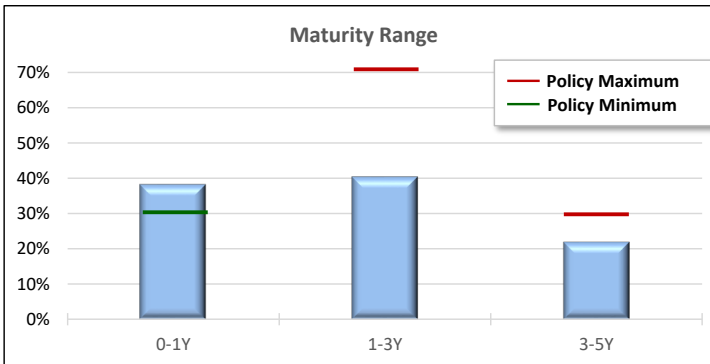
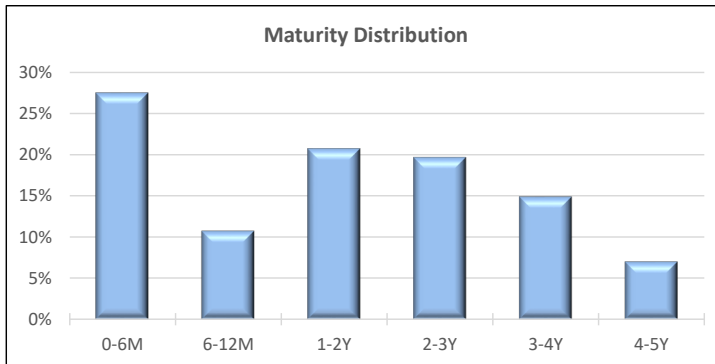
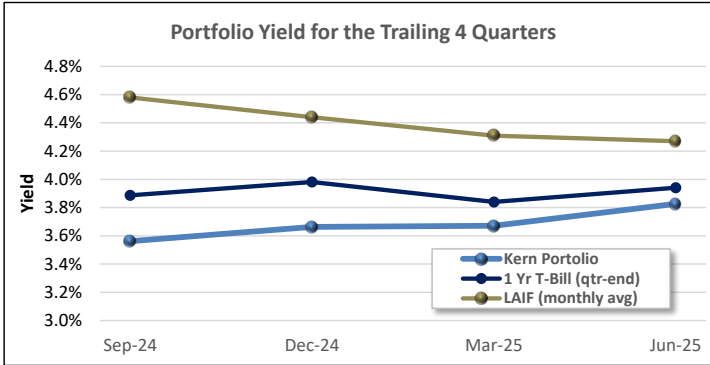
Signed:

_____ Date: _____



Kern County Treasurer's Pooled Cash Portfolio Summary 6/30/2025

Total Market Value	\$ 7,309,461,800
Yield to Maturity at Cost	3.83%
Yield to Maturity at Market	4.02%
Effective Duration	1.52
Weighted Average Years to Maturity	1.68

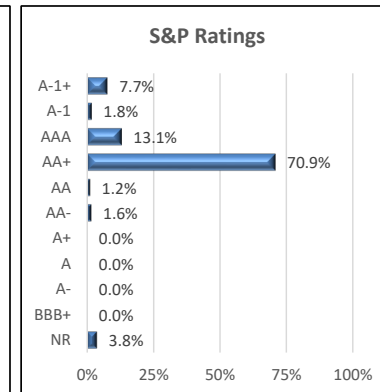
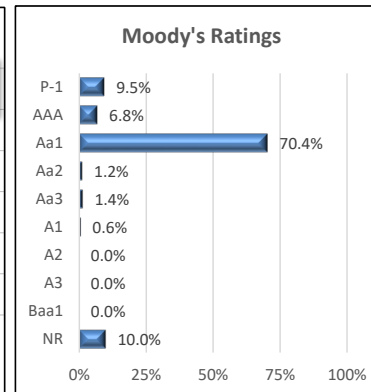
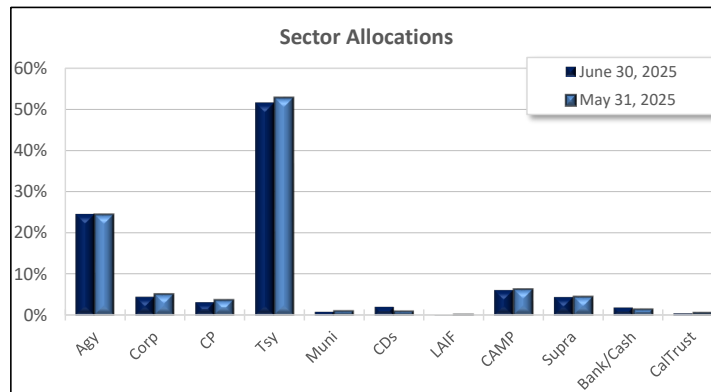


*The County Treasurer believes the Treasury Investment Pool contains sufficient cash flow from liquid and maturing securities, bank deposits, and incoming cash to meet the next six months of expected expenditures.



Kern County Treasurer's Pooled Cash Portfolio Summary 6/30/2025

Sector	Par Amount	Original Cost	Market Value	Original Yield	% of Total Assets	Policy Limit Rating	Days to Maturity
Local Agency Investment Fund	1,929,372	1,929,372	1,929,372	3.39%	0.03%	\$75 Million	1
California Asset Management Program	446,542,406	446,542,406	446,542,406	4.40%	6.11%	10%	1
CalTRUST	36,189,829	36,189,829	36,189,829	4.36%	0.50%	10%	1
Money Markets	103,222,376	103,222,376	103,222,376	4.21%	1.41%	10%	1
Bank Sweep (ICS)	21,852,164	21,852,164	21,852,164	3.66%	0.30%	10%	1
U.S. Treasuries	3,870,000,000	3,717,483,077	3,785,609,265	3.71%	51.79%	100%	710
Federal Agencies	1,794,271,000	1,773,281,015	1,786,185,419	3.85%	24.44%	75%	620
Municipal Bonds	64,590,000	65,154,180	65,386,271	3.46%	0.89%	10%	1,169
Supranationals	328,650,000	321,949,296	327,431,357	4.12%	4.48%	10%	1,105
Negotiable CDs	150,000,000	150,000,000	150,074,372	4.41%	2.05%	30%	190
Commercial Paper	240,000,000	233,894,033	239,200,968	4.50%	3.27%	40%	26
Corporate Notes	338,128,000	328,930,596	332,469,695	3.05%	4.55%	30%	613
Total Securities	7,395,375,147	7,200,428,346	7,296,093,495	3.83%	99.82%		612
Total Cash	13,368,306	13,368,306	13,368,306		0.18%		
Total Assets	7,408,743,453	7,213,796,651	7,309,461,800		100.00%		



Cash By Structure Report
Kern County

Accounting ID	Ticker	Pool Description	Type	Par Value	Book Value	Market Value	Rate	% of Portfolio
004	ICS	Institutional Cash Sweep	Cash/Money Market	11,448,716.57	11,448,716.57	11,448,716.57	3.850	0.16%
005	JPMST	JP Morgan Short Term Fund	Cash/Money Market	396,309.44	396,309.44	396,309.44	0.001	0.01%
011	OPGXX	State Street US Govt MMF	Cash/Money Market	103,222,376.30	103,222,376.30	103,222,376.30	4.210	1.43%
012	ICS	Institutional Cash Sweep - Tri Counties	Cash/Money Market	10,403,447.51	10,403,447.51	10,403,447.51	3.445	0.14%
		Cash/Money Market		125,470,849.82	125,470,849.82	125,470,849.82		1.74%
001	LAIF	Local Agency Investment Fund	LGIP	1,533,062.89	1,533,062.89	1,533,062.89	4.269	0.02%
002	CAMP	California Asset Management Program	LGIP	446,542,405.62	446,542,405.62	446,542,405.62	4.400	6.20%
003	CALTRUST	CALTrust JPA	LGIP	36,189,829.08	36,189,829.08	36,189,829.08	4.360	0.50%
		LGIP		484,265,297.59	484,265,297.59	484,265,297.59		6.73%
006	WELLS	Wells Fargo Checking	Pass/Bank Book	(31,130,896.58)	(31,130,896.58)	(31,130,896.58)		
007	VAULT1	Vault #1	Pass/Bank Book	176,050.42	176,050.42	176,050.42		
008	VAULT2	Vault #2 Change Drawer	Pass/Bank Book	2,000.00	2,000.00	2,000.00		
009	DRAWERS	Drawers 1-8 Total	Pass/Bank Book	3,000.00	3,000.00	3,000.00		
010	DEPOSITS	Department Deposits Held	Pass/Bank Book	44,318,151.72	44,318,151.72	44,318,151.72		
		Pass/Bank Book		13,368,305.56	13,368,305.56	13,368,305.56		
		Cash Holdings		623,104,452.97	623,104,452.97	623,104,452.97		8.47%

Bond Holdings By Sector Report
Kern County

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16372	63873Q5M2	NATXNY	4.520	07/02/2025	Natixis/NY	09/05/2024	09/05/2024	30,000,000.00	30,000,000.00	30,000,075.00	75.00	4.520	0.01	1	0.42%	P-1	A-1	F1
16369	78015JVX2	RY	4.590	07/03/2025	Royal Bank of Canada/NY	08/28/2024	08/28/2024	30,000,000.00	30,000,000.00	30,000,216.00	216.00	4.590	0.01	2	0.42%	P-1	A-1+	F1+
16455	89115DFQ4	TDNY	4.370	05/05/2026	Toronto Dominion Bank/NY	06/09/2025	06/09/2025	30,000,000.00	30,000,000.00	30,034,863.00	34,863.00	4.370	0.86	308	0.42%	P-1	A-1+	F1+
16457	89115DGG5	TDNY	4.340	05/12/2026	Toronto Dominion Bank/NY	06/16/2025	06/16/2025	20,000,000.00	20,000,000.00	20,020,538.00	20,538.00	4.340	0.88	315	0.28%	P-1	A-1+	F1+
16458	89115DHU3	TDNY	4.260	05/20/2026	Toronto Dominion Bank/NY	06/24/2025	06/24/2025	40,000,000.00	40,000,000.00	40,018,680.00	18,680.00	4.260	0.90	323	0.56%	P-1	A-1+	F1+
					Negotiable CDs			150,000,000.00	150,000,000.00	150,074,372.00	74,372.00				2.08%			
16383	62479LU37	MUFGBK	0.000	07/03/2025	MUFG Bank Ltd/NY	10/25/2024	10/25/2024	40,000,000.00	38,778,466.67	39,985,552.00	1,207,085.33	4.518	0.01	2	0.54%	P-1	A-1	F1
16408	89116EUA9	TDHUSA	0.000	07/10/2025	Toronto Dominion Bank	12/12/2024	12/12/2024	30,000,000.00	29,235,250.00	29,963,835.00	728,585.00	4.484	0.03	9	0.41%	P-1	A-1+	F1
16446	06741FUJ4	BARCCP	0.000	07/18/2025	Barclays US CCP	05/09/2025	05/09/2025	20,000,000.00	19,829,666.67	19,956,162.00	126,495.33	4.418	0.05	17	0.28%	P-1	A-1	F1
16384	89116EUN1	TDHUSA	0.000	07/22/2025	Toronto Dominion Bank	10/25/2024	10/25/2024	30,000,000.00	29,016,750.00	29,920,167.00	903,417.00	4.518	0.06	21	0.40%	P-1	A-1+	F1+
16401	78015CV58	RYNYCP	0.000	08/05/2025	Royal Bank of Canada/NY	11/26/2024	11/26/2024	40,000,000.00	38,765,200.00	39,823,560.00	1,058,360.00	4.550	0.10	35	0.54%	P-1	A-1+	F1+
16402	78015CV82	RYNYCP	0.000	08/08/2025	Royal Bank of Canada/NY	11/26/2024	11/26/2024	40,000,000.00	38,750,500.00	39,808,920.00	1,058,420.00	4.552	0.11	38	0.54%	P-1	A-1+	F1+
16447	62479LVN2	MUFGBK	0.000	08/22/2025	MUFG Bank Ltd/NY	05/15/2025	05/15/2025	40,000,000.00	39,518,200.00	39,742,772.00	224,572.00	4.433	0.15	52	0.55%	P-1	A-1	F1
					Commercial Paper			240,000,000.00	233,894,033.34	239,200,968.00	5,306,934.66				3.25%			
16124	91282CEY3	T	3.000	07/15/2025	U.S. Treasury Note	10/04/2022	10/04/2022	20,000,000.00	19,417,187.50	19,989,309.40	572,121.90	4.119	0.04	14	0.27%	Aa1	AA+	AA+
16173	91282CEY3	T	3.000	07/15/2025	U.S. Treasury Note	12/15/2022	12/15/2022	35,000,000.00	34,108,593.75	34,981,291.45	872,697.70	4.047	0.04	14	0.47%	Aa1	AA+	AA+
16177	912828Y79	T	2.875	07/31/2025	U.S. Treasury Note	12/21/2022	12/21/2022	25,000,000.00	24,829,062.50	24,968,690.50	679,628.00	4.032	0.08	30	0.34%	Aa1	AA+	AA+
16209	912828Y79	T	2.875	07/31/2025	U.S. Treasury Note	04/03/2023	04/03/2023	25,000,000.00	24,457,031.25	24,968,690.50	511,659.25	3.858	0.08	30	0.34%	Aa1	AA+	AA+
16319	91282CAB7	T	0.250	07/31/2025	U.S. Treasury Note	01/31/2024	01/31/2024	40,000,000.00	37,615,625.00	39,864,769.60	2,249,144.60	4.400	0.08	30	0.52%	Aa1	AA+	AA+
15840	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	02/12/2021	02/12/2021	10,000,000.00	10,719,531.25	9,969,256.90	(750,274.35)	0.388	0.13	45	0.15%	Aa1	AA+	AA+
15841	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	02/17/2021	02/17/2021	10,000,000.00	10,687,890.63	9,969,256.90	(718,633.73)	0.452	0.13	45	0.15%	Aa1	AA+	AA+
15856	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	03/31/2021	03/31/2021	50,000,000.00	52,738,281.25	49,846,284.50	(2,891,996.75)	0.727	0.13	45	0.73%	Aa1	AA+	AA+
15876	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	02/25/2021	02/25/2021	15,000,000.00	15,930,468.75	14,953,885.35	(976,583.40)	0.592	0.13	45	0.22%	Aa1	AA+	AA+
15912	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	06/15/2021	06/15/2021	30,000,000.00	31,734,375.00	29,907,770.70	(1,826,604.30)	0.594	0.13	45	0.44%	Aa1	AA+	AA+
15962	912828K74	T	2.000	08/15/2025	U.S. Treasury Note	10/25/2021	10/25/2021	12,000,000.00	12,479,062.50	11,963,108.28	(515,954.22)	0.930	0.13	45	0.17%	Aa1	AA+	AA+
15846	91282CAJ0	T	0.250	08/31/2025	U.S. Treasury Note	02/26/2021	02/26/2021	50,000,000.00	49,003,906.25	49,649,414.00	645,507.75	0.700	0.17	61	0.68%	Aa1	AA+	AA+
15917	91282CAJ0	T	0.250	08/31/2025	U.S. Treasury Note	06/22/2021	06/22/2021	27,000,000.00	26,469,492.19	26,810,683.56	341,191.37	0.727	0.17	61	0.37%	Aa1	AA+	AA+
15943	91282CAJ0	T	0.250	08/31/2025	U.S. Treasury Note	08/26/2021	08/26/2021	25,000,000.00	24,575,195.31	24,824,707.00	249,511.69	0.680	0.17	61	0.34%	Aa1	AA+	AA+
16163	91282CFK2	T	3.500	09/15/2025	U.S. Treasury Note	12/08/2022	12/08/2022	20,000,000.00	19,723,437.50	19,978,125.00	254,687.50	4.031	0.21	76	0.27%	Aa1	AA+	AA+
16165	91282CFK2	T	3.500	09/15/2025	U.S. Treasury Note	12/09/2022	12/09/2022	40,000,000.00	39,416,000.00	39,956,250.00	540,250.00	4.062	0.21	76	0.55%	Aa1	AA+	AA+
16182	91282CFK2	T	3.500	09/15/2025	U.S. Treasury Note	12/29/2022	12/29/2022	20,000,000.00	19,633,987.40	19,978,125.00	344,137.60	4.220	0.21	76	0.27%	Aa1	AA+	AA+
16313	9128285C0	T	3.000	09/30/2025	U.S. Treasury Note	01/22/2024	01/22/2024	30,000,000.00	29,292,187.50	29,902,343.70	610,156.20	4.464	0.25	91	0.41%	Aa1	AA+	AA+
16129	91282CFP1	T	4.250	10/15/2025	U.S. Treasury Note	10/25/2022	10/25/2022	35,000,000.00	34,864,200.00	34,990,088.00	125,888.00	4.390	0.29	106	0.48%	Aa1	AA+	AA+
16134	91282CFP1	T	4.250	10/15/2025	U.S. Treasury Note	10/27/2022	10/27/2022	35,000,000.00	34,943,945.31	34,990,088.00	46,142.69	4.308	0.29	106	0.49%	Aa1	AA+	AA+
16289	9128285J5	T	3.000	10/31/2025	U.S. Treasury Note	11/22/2023	11/22/2023	40,000,000.00	38,606,250.00	39,829,687.60	1,223,437.60	4.904	0.33	122	0.54%	Aa1	AA+	AA+
15839	912828M56	T	2.250	11/15/2025	U.S. Treasury Note	02/11/2021	02/11/2021	5,000,000.00	5,433,007.81	4,961,848.95	(471,158.86)	0.410	0.37	137	0.08%	Aa1	AA+	AA+
15903	912828M56	T	2.250	11/15/2025	U.S. Treasury Note	05/26/2021	05/26/2021	5,000,000.00	5,352,343.75	4,961,848.95	(390,494.80)	0.648	0.37	137	0.07%	Aa1	AA+	AA+
15921	912828M56	T	2.250	11/15/2025	U.S. Treasury Note	06/24/2021	06/24/2021	20,000,000.00	21,279,687.50	19,847,395.80	(1,432,291.70)	0.765	0.37	137	0.30%	Aa1	AA+	AA+
15991	912828M56	T	2.250	11/15/2025	U.S. Treasury Note	12/21/2021	12/21/2021	30,000,000.00	31,299,609.38	29,771,093.70	(1,528,515.68)	1.112	0.37	137	0.43%	Aa1	AA+	AA+
16252	9128286A3	T	2.625	01/31/2026	U.S. Treasury Note	07/05/2023	07/06/2023	20,000,000.00	19,017,187.50	19,815,625.00	798,437.50	4.676	0.57	214	0.26%	Aa1	AA+	AA+
15914	912828P46	T	1.625	02/15/2026	U.S. Treasury Note	06/16/2021	06/16/2021	16,000,000.00	16,671,875.00	15,748,593.76	(923,281.24)	0.708	0.61	229	0.23%	Aa1	AA+	AA+
15996	912828P46	T	1.625	02/15/2026	U.S. Treasury Note	12/29/2021	12/29/2021	10,000,000.00	10,169,140.63	9,842,871.10	(326,269.53)	1.204	0.61	229	0.14%	Aa1	AA+	AA+
16227	91282CGL9	T	4.000	02/15/2026	U.S. Treasury Note	04/26/2023	04/26/2023	40,000,000.00	40,331,250.00	39,949,609.20	(381,640.80)	3.685	0.61	229	0.56%	Aa1	AA+	AA+
15961	91282CBQ3	T	0.500	02/28/2026	U.S. Treasury Note	10/20/2021	10/20/2021	10,000,000.00	9,767,187.50	9,760,156.20	(7,031.30)	1.047	0.65	242	0.14%	Aa1	AA+	AA+
16397	91282CBQ3	T	0.500	02/28/2026	U.S. Treasury Note	11/25/2024	11/25/2024	40,000,000.00	38,125,000.00	39,040,624.80	915,624.80	4.356	0.65	242	0.53%	Aa1	AA+	AA+
15958	912828R36	T	1.625	05/15/2026	U.S. Treasury Note	09/29/2021	09/29/2021	9,000,000.00	9,284,062.50	8,813,144.52	(470,917.98)	0.927	0.85	318	0.13%	Aa1	AA+	AA+
15959	912828R36	T	1.625	05/15/2026	U.S. Treasury Note	10/05/2021	10/05/2021	11,000,000.00	11,354,062.50	10,771,621.08	(582,441.42)	0.911	0.85	318	0.16%	Aa1	AA+	AA+
15992	912828R36	T	1.625	05/15/2026	U.S. Treasury Note	12/21/2021	12/21/2021	17,000,000.00	17,315,860.00	16,647,050.76	(668,809.24)	1.190	0.85	318	0.24%	Aa1	AA+	AA+
16007	912828R36	T	1.625	05/15/2026	U.S. Treasury Note	03/11/2022	03/14/2022	10,000,000.00	9,859,765.63	9,792,382.80	(67,382.83)	1.977	0.85	318	0.14%	Aa1	AA+	AA+
16387	912828R36	T	1.625	05/15/2026	U.S. Treasury Note	10/30/2024	10/30/2024	40,000,000.00	38,487,500.00	39,169,531.20	682,031.20	4.180	0.85	31				

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16315	91282CHM6	T	4.500	07/15/2026	U.S. Treasury Note	01/24/2024	01/24/2024	30,000,000.00	30,189,843.75	30,157,910.10	(31,933.65)	4.228	0.99	379	0.42%	Aa1	Aa+	Aa+
16375	91282CHM6	T	4.500	07/15/2026	U.S. Treasury Note	09/25/2024	09/25/2024	40,000,000.00	40,635,600.00	40,210,546.80	(425,053.20)	3.580	0.99	379	0.56%	Aa1	Aa+	Aa+
16460	91282CHM6	T	4.500	07/15/2026	U.S. Treasury Note	06/24/2025	06/24/2025	40,000,000.00	40,192,187.50	40,210,546.80	18,359.30	4.029	0.99	379	0.56%	Aa1	Aa+	Aa+
16156	91282CCP4	T	0.625	07/31/2026	U.S. Treasury Note	11/28/2022	11/28/2022	27,000,000.00	23,842,265.63	26,047,617.12	2,205,351.49	4.085	1.06	395	0.33%	Aa1	Aa+	Aa+
16181	912828Y95	T	1.875	07/31/2026	U.S. Treasury Note	12/29/2022	12/29/2022	30,000,000.00	27,806,621.40	29,334,375.00	1,527,753.60	4.085	1.05	395	0.39%	Aa1	Aa+	Aa+
16228	912828Y95	T	1.875	07/31/2026	U.S. Treasury Note	04/26/2023	04/26/2023	10,000,000.00	9,475,000.00	9,778,125.00	303,125.00	3.593	1.05	395	0.13%	Aa1	Aa+	Aa+
15957	912828A27	T	1.500	08/15/2026	U.S. Treasury Note	09/28/2021	09/28/2021	35,000,000.00	35,864,062.50	34,060,742.10	(1,803,320.40)	0.981	1.09	410	0.50%	Aa1	Aa+	Aa+
16010	912828A27	T	1.500	08/15/2026	U.S. Treasury Note	03/17/2022	03/17/2022	22,000,000.00	21,400,060.00	21,409,609.32	9,549.32	2.150	1.09	410	0.30%	Aa1	Aa+	Aa+
16071	912828A27	T	1.500	08/15/2026	U.S. Treasury Note	07/11/2022	07/12/2022	1,000,000.00	939,140.63	973,164.06	34,023.43	3.094	1.09	410	0.01%	Aa1	Aa+	Aa+
16380	912828A27	T	1.500	08/15/2026	U.S. Treasury Note	09/27/2024	09/27/2024	30,000,000.00	28,863,281.25	29,194,921.80	331,640.55	3.598	1.09	410	0.40%	Aa1	Aa+	Aa+
16208	912828YD6	T	1.375	08/31/2026	U.S. Treasury Note	04/03/2023	04/03/2023	25,000,000.00	23,162,109.38	24,271,484.50	1,109,375.12	3.690	1.14	426	0.32%	Aa1	Aa+	Aa+
16365	912828YD6	T	1.375	08/31/2026	U.S. Treasury Note	08/26/2024	08/26/2024	40,000,000.00	38,073,437.50	38,834,375.20	760,937.70	3.885	1.14	426	0.53%	Aa1	Aa+	Aa+
16312	91282CHY0	T	4.625	09/15/2026	U.S. Treasury Note	01/18/2024	01/18/2024	39,000,000.00	39,432,656.25	39,313,828.32	(118,827.93)	4.177	1.16	441	0.55%	Aa1	Aa+	Aa+
16153	912828Y99	T	1.625	09/30/2026	U.S. Treasury Note	11/22/2022	11/23/2022	34,000,000.00	31,030,312.50	33,062,343.92	2,032,031.42	4.099	1.22	456	0.43%	Aa1	Aa+	Aa+
16314	91282CJC6	T	4.625	10/15/2026	U.S. Treasury Note	01/22/2024	01/22/2024	24,000,000.00	24,281,250.00	24,213,750.00	(67,500.00)	4.164	1.24	471	0.34%	Aa1	Aa+	Aa+
16385	91282CJC6	T	4.625	10/15/2026	U.S. Treasury Note	10/28/2024	10/28/2024	30,000,000.00	30,290,625.00	30,267,187.50	(23,437.50)	4.106	1.24	471	0.42%	Aa1	Aa+	Aa+
16417	91282CJC6	T	4.625	10/15/2026	U.S. Treasury Note	01/08/2025	01/08/2025	40,000,000.00	40,245,312.50	40,356,250.00	110,937.50	4.257	1.24	471	0.56%	Aa1	Aa+	Aa+
16219	91282CDG3	T	1.125	10/31/2026	U.S. Treasury Note	04/17/2023	04/17/2023	30,000,000.00	27,315,234.38	28,930,078.20	1,614,843.82	3.857	1.30	487	0.38%	Aa1	Aa+	Aa+
16291	912828YQ7	T	1.625	10/31/2026	U.S. Treasury Note	11/27/2023	11/27/2023	30,000,000.00	27,551,953.13	29,126,953.20	1,575,000.07	4.639	1.30	487	0.38%	Aa1	Aa+	Aa+
15995	912828U24	T	2.000	11/15/2026	U.S. Treasury Note	12/28/2021	12/28/2021	10,000,000.00	10,359,765.63	9,750,390.60	(609,375.03)	1.238	1.34	502	0.14%	Aa1	Aa+	Aa+
16014	912828U24	T	2.000	11/15/2026	U.S. Treasury Note	03/21/2022	03/21/2022	24,000,000.00	23,712,187.50	23,400,937.44	(311,250.06)	2.273	1.34	502	0.33%	Aa1	Aa+	Aa+
16334	91282CJT9	T	4.000	01/15/2027	U.S. Treasury Note	04/03/2024	04/04/2024	40,000,000.00	39,453,125.00	40,095,312.40	642,187.40	4.527	1.46	563	0.55%	Aa1	Aa+	Aa+
16366	91282CJT9	T	4.000	01/15/2027	U.S. Treasury Note	08/27/2024	08/27/2024	25,000,000.00	25,094,726.56	25,059,570.25	(35,156.31)	3.831	1.46	563	0.35%	Aa1	Aa+	Aa+
16379	91282CJT9	T	4.000	01/15/2027	U.S. Treasury Note	09/27/2024	09/27/2024	30,000,000.00	30,281,250.00	30,071,484.30	(209,765.70)	3.570	1.46	563	0.42%	Aa1	Aa+	Aa+
16188	912828Z78	T	1.500	01/31/2027	U.S. Treasury Note	01/27/2023	01/27/2023	32,000,000.00	29,355,000.00	30,866,249.92	1,511,249.92	3.738	1.53	579	0.41%	Aa1	Aa+	Aa+
16386	912828Z78	T	1.500	01/31/2027	U.S. Treasury Note	10/28/2024	10/28/2024	40,000,000.00	37,796,875.00	38,582,812.40	785,937.40	4.077	1.53	579	0.52%	Aa1	Aa+	Aa+
16158	912828V98	T	2.250	02/15/2027	U.S. Treasury Note	11/29/2022	11/29/2022	30,000,000.00	27,949,411.20	29,268,750.00	1,319,338.80	4.030	1.56	594	0.39%	Aa1	Aa+	Aa+
16189	912828V98	T	2.250	02/15/2027	U.S. Treasury Note	01/27/2023	01/27/2023	25,000,000.00	23,628,906.25	24,390,625.00	761,718.75	3.720	1.56	594	0.33%	Aa1	Aa+	Aa+
16225	912828V98	T	2.250	02/15/2027	U.S. Treasury Note	04/26/2023	04/26/2023	40,000,000.00	38,198,474.00	39,025,000.00	826,526.00	3.524	1.56	594	0.53%	Aa1	Aa+	Aa+
16281	912828V98	T	2.250	02/15/2027	U.S. Treasury Note	11/02/2023	11/02/2023	25,000,000.00	23,165,250.00	24,390,625.00	1,225,375.00	4.685	1.56	594	0.32%	Aa1	Aa+	Aa+
16083	912828ZB9	T	1.125	02/28/2027	U.S. Treasury Note	07/26/2022	07/26/2022	1,000,000.00	925,781.25	957,148.44	31,367.19	2.859	1.61	607	0.01%	Aa1	Aa+	Aa+
16336	91282CEC1	T	1.875	02/28/2027	U.S. Treasury Note	04/09/2024	04/09/2024	40,000,000.00	37,109,375.00	38,770,312.40	1,660,937.40	4.571	1.60	607	0.52%	Aa1	Aa+	Aa+
16398	91282CEC1	T	1.875	02/28/2027	U.S. Treasury Note	11/25/2024	11/25/2024	40,000,000.00	37,953,125.00	38,770,312.40	817,187.40	4.271	1.60	607	0.53%	Aa1	Aa+	Aa+
16084	912828X88	T	2.375	05/15/2027	U.S. Treasury Note	07/26/2022	07/26/2022	5,000,000.00	4,890,625.00	4,876,367.20	(14,257.80)	2.865	1.80	683	0.07%	Aa1	Aa+	Aa+
16159	912828X88	T	2.375	05/15/2027	U.S. Treasury Note	11/29/2022	11/29/2022	25,000,000.00	23,357,421.88	24,381,836.00	1,024,414.12	3.997	1.80	683	0.32%	Aa1	Aa+	Aa+
16238	912828X88	T	2.375	05/15/2027	U.S. Treasury Note	05/26/2023	05/26/2023	30,000,000.00	28,126,171.88	29,258,203.20	1,132,031.32	4.095	1.80	683	0.39%	Aa1	Aa+	Aa+
16344	91282CET4	T	2.625	05/31/2027	U.S. Treasury Note	04/26/2024	04/26/2024	30,000,000.00	28,122,656.25	29,380,078.20	1,257,421.95	4.825	1.84	699	0.39%	Aa1	Aa+	Aa+
16363	91282CKZ3	T	4.375	07/15/2027	U.S. Treasury Note	08/21/2024	08/22/2024	20,000,000.00	20,328,125.00	20,249,218.80	(78,906.20)	3.771	1.90	744	0.28%	Aa1	Aa+	Aa+
16367	91282CKZ3	T	4.375	07/15/2027	U.S. Treasury Note	08/28/2024	08/28/2024	30,000,000.00	30,525,000.00	30,373,828.20	(151,171.80)	3.727	1.90	744	0.42%	Aa1	Aa+	Aa+
16376	91282CKZ3	T	4.375	07/15/2027	U.S. Treasury Note	09/25/2024	09/25/2024	40,000,000.00	40,934,375.00	40,498,437.60	(435,937.40)	3.492	1.90	744	0.57%	Aa1	Aa+	Aa+
16178	91282CFB2	T	2.750	07/31/2027	U.S. Treasury Note	12/22/2022	12/22/2022	20,000,000.00	19,106,250.00	19,610,156.20	503,906.20	3.816	1.98	760	0.27%	Aa1	Aa+	Aa+
16204	91282CFB2	T	2.750	07/31/2027	U.S. Treasury Note	03/28/2023	03/28/2023	40,000,000.00	38,431,250.00	39,220,312.40	789,062.40	3.735	1.98	760	0.53%	Aa1	Aa+	Aa+
16254	91282CFB2	T	2.750	07/31/2027	U.S. Treasury Note	07/10/2023	07/10/2023	26,000,000.00	24,383,125.00	25,493,203.06	1,110,078.06	4.441	1.98	760	0.34%	Aa1	Aa+	Aa+
16359	91282CFB2	T	2.750	07/31/2027	U.S. Treasury Note	07/30/2024	07/30/2024	40,000,000.00	38,388,400.00	39,220,312.40	831,912.40	4.192	1.98	760	0.53%	Aa1	Aa+	Aa+
16157	912828R20	T	2.250	08/15/2027	U.S. Treasury Note	11/28/2022	11/28/2022	28,000,000.00	25,998,437.50	27,160,000.00	1,161,562.50	3.925	2.03	775	0.36%	Aa1	Aa+	Aa+
16212	912828R20	T	2.250	08/15/2027	U.S. Treasury Note	04/04/2023	04/04/2023	30,000,000.00	28,535,156.25	29,100,000.00	564,843.75	3.464	2.03	775	0.40%	Aa1	Aa+	Aa+
16340	912828R20	T	2.250	08/15/2027	U.S. Treasury Note	04/17/2024	04/17/2024	15,000,000.00	13,846,875.00	14,550,000.00	703,125.00	4.774	2.03	775	0.19%	Aa1	Aa+	Aa+
16179	91282CFH9	T	3.125	08/31/2027	U.S. Treasury Note	12/22/2022	12/22/2022	20,000,000.00	19,431,250.00	19,753,906.20	322,656.20	3.792	2.05	791	0.27%	Aa1	Aa+	Aa+
16206	91282CFH9	T	3.125	08/31/2027	U.S. Treasury Note	03/29/2023	03/29/2023	31,000,000.00	30,253,810.16	30,618,554.61	364,744.45	3.720	2.05	791	0.42%	Aa1	Aa+	Aa+
16194	91282CFM8	T	4.125	09/30/2027	U.S. Treasury Note	02/27/2023	02/27/2023	25,000,000.00	24,853,515.63	25,227,539.00	374,023.37	4.266	2.11	821	0.35%	Aa1	Aa+	Aa+
16195	91282CFM8	T	4.125	09/30/2027	U.S. Treasury Note	02/27/2023	02/27/2023	28,000,000.00	27,835,937.50	28,254,843.68	418,906.18	4.266	2.11	821	0.39%	Aa1	Aa+	Aa+
16390	91282CLQ2	T	3.875	10/15/2027	U.S. Treasury Note	11/15/2024	11/15/2024	40,000,000.00	39,547,200.00	40,139,062.40	591,862.40	4.291	2.16	836	0.55%	Aa1	Aa+	Aa+
16180	91282CFU0	T	4.125	10/31/2027	U.S. Treasury Note	12/22/2022	12/22/2022	30,000,000.00	30,424,218.75	30,274,218.60	(150,000.15)	3.802	2.19	852	0.42%	Aa1	Aa+	Aa+
16220	91282CFU0	T	4.125	10/31/2027	U.S. Treasury Note	04/17/2023	04/17/2023	30,000,000.00	30,450,000.00	30,274,218.60	(175,781.40)	3.762	2.19	852	0.42%	Aa1	Aa+	Aa+
16251	9128																	

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16341	9128283F5	T	2.250	11/15/2027	U.S. Treasury Note	04/18/2024	04/18/2024	40,000,000.00	36,731,250.00	38,679,687.60	1,948,437.60	4.763	2.28	867	0.51%	Aa1	AA+	AA+
16196	91282CGH8	T	3.500	01/31/2028	U.S. Treasury Note	02/28/2023	02/28/2023	27,000,000.00	26,166,780.00	26,862,890.76	696,110.76	4.200	2.41	944	0.36%	Aa1	AA+	AA+
16197	91282CGH8	T	3.500	01/31/2028	U.S. Treasury Note	02/28/2023	02/28/2023	27,000,000.00	26,166,780.00	26,862,890.76	696,110.76	4.200	2.41	944	0.36%	Aa1	AA+	AA+
16293	91282CGH8	T	3.500	01/31/2028	U.S. Treasury Note	11/28/2023	11/28/2023	25,000,000.00	24,121,500.00	24,873,047.00	751,547.00	4.430	2.41	944	0.34%	Aa1	AA+	AA+
16231	9128283W8	T	2.750	02/15/2028	U.S. Treasury Note	05/19/2023	05/19/2023	15,000,000.00	14,381,250.00	14,643,164.10	261,914.10	3.706	2.48	959	0.20%	Aa1	AA+	AA+
16237	9128283W8	T	2.750	02/15/2028	U.S. Treasury Note	05/26/2023	05/26/2023	30,000,000.00	28,416,727.20	29,286,328.20	869,601.00	3.986	2.48	959	0.39%	Aa1	AA+	AA+
16303	9128283W8	T	2.750	02/15/2028	U.S. Treasury Note	12/14/2023	12/14/2023	18,500,000.00	17,638,593.75	18,059,902.39	421,308.64	3.972	2.48	959	0.24%	Aa1	AA+	AA+
16294	91282CBP5	T	1.125	02/29/2028	U.S. Treasury Note	11/28/2023	11/28/2023	40,000,000.00	34,895,312.50	37,404,687.60	2,509,375.10	4.449	2.57	973	0.48%	Aa1	AA+	AA+
16284	9128284N7	T	2.875	05/15/2028	U.S. Treasury Note	11/16/2023	11/16/2023	30,000,000.00	28,064,062.50	29,330,859.30	1,266,796.80	4.475	2.71	1,049	0.39%	Aa1	AA+	AA+
16391	9128284N7	T	2.875	05/15/2028	U.S. Treasury Note	11/15/2024	11/15/2024	20,000,000.00	19,077,343.75	19,553,906.20	476,562.45	4.309	2.71	1,049	0.26%	Aa1	AA+	AA+
16330	91282CCE9	T	1.250	05/31/2028	U.S. Treasury Note	03/26/2024	03/26/2024	30,000,000.00	26,519,531.25	27,986,718.60	1,467,187.35	4.312	2.81	1,065	0.37%	Aa1	AA+	AA+
16282	91282CHQ7	T	4.125	07/31/2028	U.S. Treasury Note	11/02/2023	11/02/2023	25,000,000.00	24,497,250.00	25,301,757.75	804,507.75	4.600	2.83	1,126	0.34%	Aa1	AA+	AA+
16285	91282CHQ7	T	4.125	07/31/2028	U.S. Treasury Note	11/16/2023	11/16/2023	30,000,000.00	29,599,218.75	30,362,109.30	762,890.55	4.441	2.83	1,126	0.41%	Aa1	AA+	AA+
16463	91282CCR0	T	1.000	07/31/2028	U.S. Treasury Note	06/27/2025	06/27/2025	40,000,000.00	36,831,250.00	36,876,562.40	45,312.40	3.735	2.97	1,126	0.51%	Aa1	AA+	AA+
16295	9128284V9	T	2.875	08/15/2028	U.S. Treasury Note	11/28/2023	11/28/2023	25,000,000.00	23,400,390.63	24,384,765.50	984,374.87	4.391	2.92	1,141	0.32%	Aa1	AA+	AA+
16300	9128284V9	T	2.875	08/15/2028	U.S. Treasury Note	12/11/2023	12/11/2023	45,000,000.00	42,269,983.20	43,892,577.90	1,622,594.70	4.320	2.92	1,141	0.59%	Aa1	AA+	AA+
16404	9128284V9	T	2.875	08/15/2028	U.S. Treasury Note	12/04/2024	12/04/2024	40,000,000.00	38,300,000.00	39,015,624.80	715,624.80	4.125	2.92	1,141	0.53%	Aa1	AA+	AA+
16309	91282CCV1	T	1.125	08/31/2028	U.S. Treasury Note	12/27/2023	12/27/2023	40,000,000.00	35,337,500.00	36,934,375.20	1,596,875.20	3.874	3.05	1,157	0.49%	Aa1	AA+	AA+
16301	91282CIA0	T	4.625	09/30/2028	U.S. Treasury Note	12/13/2023	12/13/2023	40,000,000.00	40,700,000.00	41,107,812.40	407,812.40	4.217	2.97	1,187	0.57%	Aa1	AA+	AA+
16332	91282CCY5	T	1.250	09/30/2028	U.S. Treasury Note	03/27/2024	03/27/2024	40,000,000.00	35,140,625.00	37,007,812.40	1,867,187.40	4.237	3.12	1,187	0.49%	Aa1	AA+	AA+
16292	91282CDF5	T	1.375	10/31/2028	U.S. Treasury Note	11/27/2023	11/27/2023	40,000,000.00	34,565,625.00	37,089,062.40	2,523,437.40	4.479	3.20	1,218	0.48%	Aa1	AA+	AA+
16287	9128285M8	T	3.125	11/15/2028	U.S. Treasury Note	11/17/2023	11/17/2023	40,000,000.00	37,584,375.00	39,253,124.80	1,668,749.80	4.488	3.16	1,233	0.52%	Aa1	AA+	AA+
16302	9128285M8	T	3.125	11/15/2028	U.S. Treasury Note	12/13/2023	12/13/2023	30,000,000.00	28,537,500.00	29,439,843.60	902,343.60	4.232	3.16	1,233	0.40%	Aa1	AA+	AA+
16305	9128285M8	T	3.125	11/15/2028	U.S. Treasury Note	12/20/2023	12/20/2023	11,000,000.00	10,599,531.25	10,794,609.32	195,078.07	3.948	3.16	1,233	0.15%	Aa1	AA+	AA+
16326	91282CDW8	T	1.750	01/31/2029	U.S. Treasury Note	03/21/2024	03/21/2024	40,000,000.00	35,606,250.00	37,368,750.00	1,762,500.00	4.275	3.40	1,310	0.49%	Aa1	AA+	AA+
16338	91282CDW8	T	1.750	01/31/2029	U.S. Treasury Note	04/15/2024	04/15/2024	40,000,000.00	34,968,750.00	37,368,750.00	2,400,000.00	4.711	3.40	1,310	0.49%	Aa1	AA+	AA+
16325	9128286B1	T	2.625	02/15/2029	U.S. Treasury Note	03/20/2024	03/20/2024	40,000,000.00	37,028,125.00	38,520,312.40	1,492,187.40	4.321	3.38	1,325	0.51%	Aa1	AA+	AA+
16329	9128286B1	T	2.625	02/15/2029	U.S. Treasury Note	03/25/2024	03/25/2024	40,000,000.00	37,156,250.00	38,520,312.40	1,364,062.40	4.249	3.38	1,325	0.52%	Aa1	AA+	AA+
16337	91282CEB3	T	1.875	02/28/2029	U.S. Treasury Note	04/10/2024	04/10/2024	40,000,000.00	35,296,875.00	37,485,937.60	2,189,062.60	4.587	3.47	1,338	0.49%	Aa1	AA+	AA+
16371	9128286T2	T	2.375	05/15/2029	U.S. Treasury Note	09/05/2024	09/05/2024	30,000,000.00	28,467,187.50	28,537,500.00	70,312.50	3.566	3.64	1,414	0.40%	Aa1	AA+	AA+
16420	9128286T2	T	2.375	05/15/2029	U.S. Treasury Note	01/29/2025	01/29/2025	40,000,000.00	37,018,750.00	38,050,000.00	1,031,250.00	4.294	3.64	1,414	0.51%	Aa1	AA+	AA+
16462	9128286T2	T	2.375	05/15/2029	U.S. Treasury Note	06/26/2025	06/26/2025	40,000,000.00	38,037,500.00	38,050,000.00	12,500.00	3.743	3.64	1,414	0.53%	Aa1	AA+	AA+
16370	91282CFC0	T	2.625	07/31/2029	U.S. Treasury Note	08/29/2024	08/29/2024	31,000,000.00	29,483,906.25	29,693,398.36	209,492.11	3.721	3.78	1,491	0.41%	Aa1	AA+	AA+
16413	91282CFC0	T	2.625	07/31/2029	U.S. Treasury Note	12/27/2024	12/27/2024	40,000,000.00	37,034,375.00	38,314,062.40	1,279,687.40	4.425	3.78	1,491	0.51%	Aa1	AA+	AA+
16429	91282CFC0	T	2.625	07/31/2029	U.S. Treasury Note	03/03/2025	03/03/2025	40,000,000.00	37,787,500.00	38,314,062.40	526,562.40	4.004	3.78	1,491	0.52%	Aa1	AA+	AA+
16435	912828YB0	T	1.625	08/15/2029	U.S. Treasury Note	03/27/2025	03/28/2025	20,000,000.00	18,073,437.50	18,417,187.60	343,750.10	4.043	3.90	1,506	0.25%	Aa1	AA+	AA+
16434	91282CFT3	T	4.000	10/31/2029	U.S. Treasury Note	03/26/2025	03/26/2025	30,000,000.00	29,885,156.25	30,285,937.50	400,781.25	4.091	3.93	1,583	0.42%	Aa1	AA+	AA+
16438	91282CGJ4	T	3.500	01/31/2030	U.S. Treasury Note	03/28/2025	03/28/2025	40,000,000.00	39,109,375.00	39,534,375.20	425,000.20	4.009	4.14	1,675	0.54%	Aa1	AA+	AA+
16430	912828Z94	T	1.500	02/15/2030	U.S. Treasury Note	03/03/2025	03/03/2025	40,000,000.00	35,509,375.00	36,196,875.20	687,500.20	4.021	4.37	1,690	0.49%	Aa1	AA+	AA+
16445	912828Z94	T	1.500	02/15/2030	U.S. Treasury Note	04/09/2025	04/09/2025	30,000,000.00	26,732,812.50	27,147,656.40	414,843.90	3.990	4.37	1,690	0.37%	Aa1	AA+	AA+
16452	912828ZQ6	T	0.625	05/15/2030	U.S. Treasury Note	05/28/2025	05/28/2025	20,000,000.00	16,934,375.00	17,207,812.40	273,437.40	4.066	4.71	1,779	0.24%	Aa1	AA+	AA+
					U.S. Treasuries			3,870,000,000.00	3,717,483,077.44	3,785,609,265.15	68,126,187.71				51.63%			
15843	459058JL8	IBRD	0.500	10/28/2025	Int'l Bank for Recon and Dev	02/19/2021	02/23/2021	15,000,000.00	14,930,850.00	14,817,315.00	(113,535.00)	0.600	0.32	119	0.21%	Aaa	AAA	AAA
16077	459058KJ1	IBRD	3.125	06/15/2027	Int'l Bank for Recon and Dev	07/14/2022	07/19/2022	5,000,000.00	4,985,450.00	4,934,220.50	(51,229.50)	3.190	1.87	714	0.07%	Aaa	AAA	AAA
16339	4581X0EH7	IADB	4.000	01/12/2028	Inter-American Development Bank	04/17/2024	04/18/2024	25,000,000.00	24,334,750.00	25,135,480.00	800,730.00	4.785	2.35	925	0.34%	Aaa	AAA	AAA
16240	45906M3R0	IBRD	3.625	02/03/2028	Int'l Bank for Recon and Dev	05/31/2023	05/31/2023	30,000,000.00	29,619,600.00	29,469,846.00	(149,754.00)	3.924	2.41	947	0.41%	Aaa	AAA	AAA
16233	45818WEM4	IADB	4.250	03/03/2028	Inter-American Development Bank	05/19/2023	05/22/2023	20,000,000.00	20,306,800.00	19,942,528.00	(364,272.00)	3.894	2.47	976	0.28%	Aaa	AAA	AAA
16255	459058KT9	IBRD	3.500	07/12/2028	Int'l Bank for Recon and Dev	07/10/2023	07/12/2023	20,000,000.00	19,225,200.00	19,833,528.00	608,328.00	4.371	2.80	1,107	0.27%	Aaa	AAA	AAA
16298	459058KT9	IBRD	3.500	07/12/2028	Int'l Bank for Recon and Dev	12/08/2023	12/12/2023	25,000,000.00	24,095,750.00	24,791,910.00	696,160.00	4.379	2.80	1,107	0.33%	Aaa	AAA	AAA
16399	459058KT9	IBRD	3.500	07/12/2028	Int'l Bank for Recon and Dev	11/25/2024	11/25/2024	31,960,000.00	31,138,628.00	31,693,977.74	555,349.74	4.271	2.80	1,107	0.43%	Aaa	AAA	AAA
16441	459058KT9	IBRD	3.500	07/12/2028	Int'l Bank for Recon and Dev	04/04/2025	04/07/2025	19,963,000.00	19,849,610.16	19,796,835.97	(52,774.19)	3.685	2.80	1,107	0.28%	Aaa	AAA	AAA
16456	45950KDD9	IFC	4.500	07/13/2028	International Finance Corp	06/09/2025	06/10/2025	8,893,000.00	9,016,879.49	9,073,999.23	57,119.74	4.015	2.76	1,108	0.13%	Aaa	AAA	AAA
16400	4581X0DX3	IADB	1.125	07/20/2028	Inter-American Development Bank	11/25/2024	11/26/2024	10,000,000.00	8,947,000.00	9,201,327.00	254,327.00	4.271	2.93	1,115	0.12%	Aaa	AAA	AAA
16278	459058KW2	IBRD	4.625	08/01/2028	Int'l Bank for Recon and Dev	10/24/2023	10/26/2023	40,000,000.00	39,382,000.00	40,970,368.00	1,588,368.00</							

Bond Holdings By Sector Report
Kern County

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16333	45818WFE1	IADB	4.400	03/01/2029	Inter-American Development Bank	03/27/2024	03/28/2024	23,500,000.00	23,586,950.00	24,042,427.71	455,477.71	4.315	3.32	1,339	0.33%	Aaa	AAA	AAA
16431	459058LN1	IBRD	3.875	10/16/2029	Int'l Bank for Recon and Dev	03/17/2025	03/18/2025	20,000,000.00	19,772,000.00	20,017,922.00	245,922.00	4.151	3.89	1,568	0.27%	Aaa	AAA	AAA
16436	4581X0ES3	IADB	4.500	02/15/2030	Inter-American Development Bank	03/27/2025	03/28/2025	20,000,000.00	20,256,000.00	20,518,120.00	262,120.00	4.205	4.08	1,690	0.28%	Aaa	AAA	AAA
					Supranational			328,650,000.00	321,949,295.77	327,431,356.68	5,482,060.91				4.47%			
16358	313385HW9	FHDN	0.000	07/08/2025	Federal Home Loan Bank Discount	07/29/2024	07/29/2024	25,000,000.00	23,916,638.89	24,976,833.25	1,060,194.36	4.753	0.02	7	0.33%	P-1	A-1+	
16416	313385JP2	FHDN	0.000	07/25/2025	Federal Home Loan Bank Discount	01/03/2025	01/03/2025	30,000,000.00	29,307,262.50	29,913,125.10	605,862.60	4.241	0.07	24	0.41%	P-1	A-1+	
16389	313385KD7	FHDN	0.000	08/08/2025	Federal Home Loan Bank Discount	11/12/2024	11/12/2024	20,000,000.00	19,373,080.56	19,908,566.60	535,486.04	4.360	0.11	38	0.27%	P-1	A-1+	
16169	3137EAEX3	FHLMC	0.375	09/23/2025	Freddie Mac	12/14/2022	12/14/2022	17,500,000.00	15,827,350.00	17,340,550.15	1,513,200.15	4.051	0.23	84	0.22%	Aa1	AA+	AA+
16114	31422XJ37	FAMCA	4.400	10/03/2025	Farmer Mac	09/26/2022	10/03/2022	25,000,000.00	25,000,000.00	24,993,237.75	(6,762.25)	4.400	0.26	94	0.35%			
16422	313385MM5	FHDN	0.000	10/03/2025	Federal Home Loan Bank Discount	01/31/2025	01/31/2025	40,000,000.00	38,892,055.56	39,565,111.20	673,055.64	4.221	0.26	94	0.54%	P-1	A-1+	
16425	313385MM5	FHDN	0.000	10/03/2025	Federal Home Loan Bank Discount	02/20/2025	02/20/2025	25,000,000.00	24,356,250.00	24,728,194.50	371,944.50	4.270	0.26	94	0.34%	P-1	A-1+	
16226	3133EPHF5	FFCB	4.125	10/27/2025	Federal Farm Credit Bank	04/26/2023	04/27/2023	40,000,000.00	40,146,000.00	39,957,144.80	(188,855.20)	3.970	0.32	118	0.56%	Aa1	AA+	AA+
16426	313385NX0	FHDN	0.000	11/06/2025	Federal Home Loan Bank Discount	02/26/2025	02/26/2025	40,000,000.00	38,857,283.33	39,415,200.00	557,916.67	4.218	0.35	128	0.54%	P-1	A-1+	
16170	3135G0G3	FNMA	0.500	11/07/2025	Fannie Mae	12/14/2022	12/14/2022	20,000,000.00	18,097,200.00	19,736,029.40	1,638,829.40	4.011	0.35	129	0.25%	Aa1	AA+	AA+
16427	313385PB6	FHDN	0.000	11/10/2025	Federal Home Loan Bank Discount	02/26/2025	02/26/2025	30,000,000.00	29,132,625.00	29,547,800.10	415,175.10	4.203	0.36	132	0.40%	P-1	A-1+	
16444	313385PB6	FHDN	0.000	11/10/2025	Federal Home Loan Bank Discount	04/09/2025	04/09/2025	30,000,000.00	29,321,854.17	29,547,800.10	225,945.93	3.915	0.36	132	0.41%	P-1	A-1+	
16040	3133ENKD1	FFCB	1.400	01/13/2026	Federal Farm Credit Bank	04/28/2022	04/29/2022	18,000,000.00	17,063,460.00	17,736,143.58	672,683.58	2.890	0.52	196	0.24%	Aa1	AA+	AA+
16168	3130AUA1	FHLB	4.110	01/15/2026	Federal Home Loan Bank	12/12/2022	12/13/2022	20,000,000.00	20,000,000.00	19,990,624.00	(9,376.00)	4.110	0.52	198	0.28%	Aa1	AA+	
15838	3130AKWV4	FHLB	0.500	01/29/2026	Federal Home Loan Bank	01/28/2021	01/29/2021	10,000,000.00	10,000,000.00	9,783,295.50	(216,704.50)	0.500	0.57	212	0.14%	Aa1	AA+	
16428	313385T4	FHDN	0.000	02/06/2026	Federal Home Loan Bank Discount	02/26/2025	02/26/2025	40,000,000.00	38,482,000.00	39,043,561.20	561,561.20	4.133	0.59	220	0.53%	P-1	A-1+	
16232	3133EPJX4	FFCB	3.625	02/17/2026	Federal Farm Credit Bank	05/19/2023	05/19/2023	8,425,000.00	8,303,427.25	8,393,488.56	90,061.31	4.189	0.61	231	0.12%	Aa1	AA+	AA+
15842	3130AKVV5	FHLB	0.500	02/18/2026	Federal Home Loan Bank	02/18/2021	02/18/2021	20,000,000.00	20,000,000.00	19,542,879.40	(457,120.60)	0.500	0.62	232	0.28%	Aa1	AA+	
15844	3130AL7M0	FHLB	0.625	02/24/2026	Federal Home Loan Bank	02/24/2021	02/25/2021	15,000,000.00	15,000,000.00	14,659,149.00	(340,851.00)	0.625	0.64	238	0.21%	Aa1	AA+	
15845	3130ALDB7	FHLB	0.660	02/25/2026	Federal Home Loan Bank	02/16/2021	02/25/2021	10,000,000.00	10,000,000.00	9,768,826.00	(231,174.00)	0.660	0.64	239	0.14%	Aa1	AA+	
16210	313373B68	FHLB	4.375	03/13/2026	Federal Home Loan Bank	04/03/2023	04/04/2023	20,000,000.00	20,246,760.00	20,038,373.60	(208,386.40)	3.926	0.67	255	0.28%	Aa1	AA+	
16089	3130ALGJ7	FHLB	1.000	03/23/2026	Federal Home Loan Bank	07/28/2022	07/29/2022	9,750,000.00	9,043,905.00	9,527,190.17	483,285.17	3.114	0.71	265	0.13%	Aa1	AA+	
16218	3133EPFT7	FFCB	3.750	04/13/2026	Federal Farm Credit Bank	04/13/2023	04/13/2023	8,000,000.00	7,976,000.00	7,975,929.52	(70.48)	3.857	0.76	286	0.11%	Aa1	AA+	AA+
16453	313385WF9	FHDN	0.000	05/01/2026	Federal Home Loan Bank Discount	06/05/2025	06/05/2025	30,000,000.00	28,937,125.00	29,049,416.70	112,291.70	4.026	0.82	304	0.40%	P-1	A-1+	
15902	3130AMFE7	FHLB	1.350	05/26/2026	Federal Home Loan Bank	05/26/2021	05/26/2021	16,650,000.00	16,650,000.00	16,265,572.81	(384,427.19)	1.350	0.88	329	0.23%	Aa1	AA+	
15974	3130AQ6D0	FHLB	1.310	06/08/2026	Federal Home Loan Bank	12/01/2021	12/08/2021	15,000,000.00	15,000,000.00	14,617,648.35	(382,351.65)	1.310	0.92	342	0.21%	Aa1	AA+	
16244	3130AWGR5	FHLB	4.375	06/12/2026	Federal Home Loan Bank	06/29/2023	06/30/2023	30,000,000.00	29,830,500.00	30,084,705.90	254,205.90	4.582	0.92	346	0.41%	Aa1	AA+	
15951	3130ANWD8	FHLB	0.900	06/16/2026	Federal Home Loan Bank	09/16/2021	09/16/2021	15,000,000.00	15,000,000.00	14,552,656.50	(447,343.50)	0.900	0.94	350	0.21%	Aa1	AA+	
16234	3133ELM50	FFCB	0.580	06/18/2026	Federal Farm Credit Bank	05/24/2023	05/25/2023	20,000,000.00	17,961,200.00	19,358,378.20	1,397,178.20	4.158	0.94	352	0.25%	Aa1	AA+	AA+
15997	3130AQ7E7	FHLB	1.500	06/30/2026	Federal Home Loan Bank	12/17/2021	12/30/2021	9,320,000.00	9,320,000.00	9,085,371.33	(234,628.67)	1.500	0.98	364	0.13%	Aa1	AA+	
16247	31422X4Q2	FAMCA	4.580	07/02/2026	Farmer Mac	06/29/2023	07/03/2023	30,000,000.00	30,000,000.00	30,160,375.50	160,375.50	4.580	0.95	366	0.42%			
16356	31424WLG5	FAMCA	4.660	07/02/2026	Farmer Mac	07/08/2024	07/11/2024	10,000,000.00	10,000,000.00	10,061,240.20	61,240.20	4.660	0.95	366	0.14%			
16245	3133EPPE9	FFCB	4.375	07/06/2026	Federal Farm Credit Bank	06/29/2023	07/06/2023	32,870,000.00	32,675,080.90	33,049,179.96	374,099.06	4.589	0.97	370	0.45%	Aa1	AA+	AA+
16250	3133EPPE9	FFCB	4.375	07/06/2026	Federal Farm Credit Bank	07/05/2023	07/06/2023	22,000,000.00	21,831,480.00	22,119,925.74	288,445.74	4.652	0.97	370	0.30%	Aa1	AA+	AA+
15929	3130AN3A6	FHLB	0.960	07/08/2026	Federal Home Loan Bank	07/08/2021	07/08/2021	15,000,000.00	15,000,000.00	14,535,433.35	(464,566.65)	0.960	0.99	372	0.21%	Aa1	AA+	
16235	3133ELY32	FFCB	0.550	07/22/2026	Federal Farm Credit Bank	05/25/2023	05/26/2023	10,000,000.00	8,928,900.00	9,644,300.20	715,400.20	4.210	1.03	386	0.12%	Aa1	AA+	AA+
16088	3133END80	FFCB	3.000	08/03/2026	Federal Farm Credit Bank	07/28/2022	08/03/2022	10,000,000.00	10,060,000.00	9,893,375.20	(166,624.80)	2.840	1.05	398	0.14%	Aa1	AA+	AA+
16002	3130AQR70	FHLB	2.125	08/07/2026	Federal Home Loan Bank	01/25/2022	02/07/2022	40,000,000.00	40,000,000.00	39,253,088.00	(746,912.00)	2.125	1.07	402	0.56%	Aa1	AA+	
16041	3130ARSU6	FHLB	3.140	08/11/2026	Federal Home Loan Bank	04/18/2022	05/11/2022	20,000,000.00	20,000,000.00	19,797,067.00	(202,933.00)	3.140	1.07	406	0.28%	Aa1	AA+	
15948	3130ANNA4	FHLB	1.500	08/28/2026	Federal Home Loan Bank	08/30/2021	08/30/2021	15,000,000.00	15,322,200.00	14,601,179.25	(721,020.75)	1.500	1.13	423	0.21%	Aa1	AA+	
16200	3130A8XY4	FHLB	1.875	09/11/2026	Federal Home Loan Bank	03/23/2023	03/23/2023	31,140,000.00	28,759,035.60	30,405,157.97	1,646,122.37	4.271	1.16	437	0.40%	Aa1	AA+	
16243	31422X4L3	FAMCA	4.360	10/02/2026	Farmer Mac	06/27/2023	06/30/2023	30,000,000.00	30,000,000.00	30,136,078.50	136,078.50	4.360	1.20	458	0.42%			
16185	3133EN7A2	FFCB	3.625	10/26/2026	Federal Farm Credit Bank	01/19/2023	01/26/2023	20,000,000.00	19,969,400.00	19,909,722.40	(59,677.60)	3.670	1.27	482	0.28%	Aa1	AA+	AA+
16039	3134GW6C5	FHLMC	0.800	10/28/2026	Freddie Mac	04/27/2022	04/28/2022	25,000,000.00	22,769,075.00	23,981,577.75	1,212,502.75	2.931	1.30	484	0.32%	Aa1	AA+	AA+
16286	3130AXU63	FHLB	4.625	11/17/2026	Federal Home Loan Bank	11/16/2023	11/17/2023	40,000,000.00	39,929,200.00	40,349,334.80	420,134.80	4.689	1.32	504	0.55%	Aa1	AA+	
16230	31422XT28	FAMCA	4.000	12/16/2026	Farmer Mac	05/16/2023	05/17/2023	11,000,000.00	11,042,790.00	11,007,848.50	(34,941.50)	3.882	1.40	533	0.15%			

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16072	3134GXZN7	FHLMC	4.250	07/12/2027	Freddie Mac	07/12/2022	07/12/2022	15,000,000.00	15,000,000.00	14,989,308.45	(10,691.55)	4.250	0.60	741	0.21%	Aa1	AA+	AA+
16360	3133ERMB4	FFCB	4.250	07/23/2027	Federal Farm Credit Bank	07/31/2024	07/31/2024	33,570,000.00	33,620,355.00	33,833,557.40	213,202.40	4.196	1.92	752	0.47%	Aa1	AA+	AA+
16357	3130B25P6	FHLB	4.420	07/30/2027	Federal Home Loan Bank	07/26/2024	07/30/2024	30,000,000.00	30,000,000.00	30,063,474.00	63,474.00	4.420	1.30	759	0.42%	Aa1	AA+	
16423	3130B4VS7	FHLB	4.410	08/06/2027	Federal Home Loan Bank	01/31/2025	02/06/2025	25,000,000.00	25,000,000.00	24,978,485.50	(21,514.50)	4.410	0.43	766	0.35%	Aa1	AA+	
16236	3130ACDQ4	FHLB	2.375	09/10/2027	Federal Home Loan Bank	05/26/2023	05/26/2023	19,245,000.00	17,915,170.50	18,667,013.57	751,843.07	4.150	2.09	801	0.25%	Aa1	AA+	
16211	3133EPDJ1	FFCB	4.375	09/15/2027	Federal Farm Credit Bank	04/04/2023	04/04/2023	26,986,000.00	27,822,296.14	27,282,503.82	(539,792.32)	3.614	2.06	806	0.39%	Aa1	AA+	AA+
16377	3130B2WX9	FHLB	3.667	10/01/2027	Federal Home Loan Bank	09/25/2024	10/01/2024	20,000,000.00	20,000,000.00	19,823,195.40	(176,804.60)	3.667	1.61	822	0.28%	Aa1	AA+	
16113	31422XJ45	FAMCA	4.150	10/04/2027	Farmer Mac	09/26/2022	10/04/2022	25,000,000.00	25,000,000.00	25,162,042.00	162,042.00	4.150	2.12	825	0.35%			
16279	31424WBM3	FAMCA	4.930	11/01/2027	Farmer Mac	10/30/2023	11/01/2023	20,000,000.00	20,000,000.00	20,475,530.00	475,530.00	4.930	2.18	853	0.28%			
16199	3133EPCX1	FFCB	4.375	03/10/2028	Federal Farm Credit Bank	03/16/2023	03/16/2023	26,000,000.00	26,696,800.00	26,406,546.92	(290,253.08)	3.780	2.49	983	0.37%	Aa1	AA+	AA+
16248	31422X4R0	FAMCA	4.250	05/15/2028	Farmer Mac	06/29/2023	07/05/2023	20,000,000.00	20,000,000.00	20,232,389.40	232,389.40	4.250	2.67	1,049	0.28%			
16393	3130B3TB9	FHLB	4.549	05/15/2028	Federal Home Loan Bank	11/18/2024	11/21/2024	20,000,000.00	20,000,000.00	20,028,300.80	28,300.80	4.549	1.28	1,049	0.28%	Aa1	AA+	
16392	3135GAZF1	FNMA	4.450	05/19/2028	Fannie Mae	11/18/2024	11/20/2024	20,000,000.00	20,000,000.00	20,067,193.20	67,193.20	4.450	1.78	1,053	0.28%	Aa1	AA+	AA+
16394	3130B3TA1	FHLB	4.534	06/02/2028	Federal Home Loan Bank	11/18/2024	12/02/2024	20,000,000.00	20,000,000.00	20,025,236.20	25,236.20	4.534	1.35	1,067	0.28%	Aa1	AA+	
16242	3130AWC24	FHLB	4.000	06/09/2028	Federal Home Loan Bank	06/26/2023	06/26/2023	35,000,000.00	34,944,000.00	35,268,545.20	324,545.20	4.035	2.75	1,074	0.49%	Aa1	AA+	
16465	3133ETMY0	FFCB	4.000	06/30/2028	Federal Farm Credit Bank	06/27/2025	06/30/2025	24,175,000.00	24,175,000.00	24,161,883.85	(13,116.15)	4.000	2.36	1,095	0.34%	Aa1	AA+	AA+
16437	3133ETBR7	FFCB	4.000	07/03/2028	Federal Farm Credit Bank	03/27/2025	04/03/2025	20,000,000.00	19,979,263.22	20,107,373.00	128,109.78	4.036	2.78	1,098	0.28%	Aa1	AA+	AA+
16439	3136GAEQ8	FNMA	4.220	07/07/2028	Fannie Mae	03/31/2025	04/07/2025	40,000,000.00	40,000,000.00	40,077,968.80	77,968.80	4.220	1.51	1,102	0.56%	Aa1	AA+	AA+
16335	3130AVBD3	FHLB	4.500	03/09/2029	Federal Home Loan Bank	04/04/2024	04/05/2024	40,000,000.00	40,223,200.00	40,997,397.20	774,197.20	4.372	3.34	1,347	0.56%	Aa1	AA+	AA+
16451	3136GAHW2	FNMA	4.140	05/25/2029	Fannie Mae	05/27/2025	05/29/2025	25,000,000.00	25,000,000.00	25,110,253.25	110,253.25	4.140	2.56	1,424	0.35%	Aa1	AA+	AA+
16432	3130B5NU8	FHLB	4.160	06/12/2029	Federal Home Loan Bank	03/19/2025	03/24/2025	28,000,000.00	28,000,000.00	27,982,099.04	(17,900.96)	4.160	3.26	1,442	0.39%	Aa1	AA+	AA+
16442	3136GAFP9	FNMA	4.270	06/15/2029	Fannie Mae	04/08/2025	04/15/2025	20,000,000.00	20,000,000.00	20,041,061.60	41,061.60	4.270	1.72	1,445	0.28%	Aa1	AA+	AA+
16403	3130B3XC2	FHLB	4.420	07/06/2029	Federal Home Loan Bank	11/26/2024	12/06/2024	25,000,000.00	25,000,000.00	25,091,910.00	91,910.00	4.420	2.64	1,466	0.35%	Aa1	AA+	
16440	3136GAFF1	FNMA	4.100	07/09/2029	Fannie Mae	04/04/2025	04/09/2025	30,000,000.00	30,000,000.00	29,863,641.30	(136,358.70)	4.100	2.10	1,469	0.42%	Aa1	AA+	AA+
16443	3130B5VK1	FHLB	3.920	07/13/2029	Federal Home Loan Bank	04/08/2025	04/14/2025	20,000,000.00	20,000,000.00	20,093,976.40	93,976.40	3.920	2.70	1,473	0.28%	Aa1	AA+	AA+
16368	3130B2KB0	FHLB	4.100	08/20/2029	Federal Home Loan Bank	08/28/2024	08/30/2024	10,000,000.00	10,000,000.00	9,909,757.90	(90,242.10)	4.100	2.35	1,511	0.14%	Aa1	AA+	
16454	3130AV5P3	FHLB	4.375	03/08/2030	Federal Home Loan Bank	06/06/2025	06/06/2025	21,640,000.00	21,873,928.40	22,155,993.47	282,065.07	4.121	4.16	1,711	0.30%	Aa1	AA+	
16459	3133ETMB0	FFCB	4.650	06/24/2030	Federal Farm Credit Bank	06/24/2025	06/24/2025	20,000,000.00	20,000,000.00	19,982,577.00	(17,423.00)	4.650	2.16	1,819	0.28%	Aa1	AA+	AA+
					U.S. Agencies			1,794,271,000.00	1,773,281,015.10	1,786,185,419.36	12,904,404.26				24.63%			
15873	59217GEJ4	MET	0.950	07/02/2025	MetLife	04/13/2021	04/15/2021	5,160,000.00	5,135,335.20	5,159,481.94	24,146.74	1.066	0.01	1	0.07%	Aa3	AA-	AA-
15900	59217GEJ4	MET	0.950	07/02/2025	MetLife	05/19/2021	05/24/2021	13,590,000.00	13,622,751.90	13,588,635.56	(34,116.34)	0.890	0.01	1	0.19%	Aa3	AA-	AA-
15990	59217GEJ4	MET	0.950	07/02/2025	MetLife	12/15/2021	12/17/2021	15,050,000.00	14,868,196.00	15,048,488.98	180,292.98	1.300	0.01	1	0.21%	Aa3	AA-	AA-
15978	742718FL8	PG	0.550	10/29/2025	Proctor & Gamble	12/09/2021	12/15/2021	15,000,000.00	14,615,100.00	14,818,250.10	203,150.10	1.231	0.33	120	0.20%	Aa3	AA-	AA-
15901	66815L2A6	NWMLIC	0.800	01/14/2026	Northwestern Mutual Global	05/19/2021	05/24/2021	10,000,000.00	9,888,600.00	9,810,334.10	(78,265.90)	1.047	0.53	197	0.14%	Aa1	AA+	AAA
16027	66815L2A6	NWMLIC	0.800	01/14/2026	Northwestern Mutual Global	04/18/2022	04/20/2022	28,860,000.00	26,473,566.60	28,312,624.21	(1,839,057.61)	3.166	0.53	197	0.37%	Aa1	AA+	AAA
16087	66815L2A6	NWMLIC	0.800	01/14/2026	Northwestern Mutual Global	07/27/2022	07/29/2022	10,000,000.00	9,095,300.00	9,810,334.10	715,034.10	3.606	0.53	197	0.13%	Aa1	AA+	AAA
16045	023135BX3	AMZN	1.000	05/12/2026	Amazon	05/23/2022	05/25/2022	10,000,000.00	9,163,500.00	9,738,242.40	574,742.40	3.267	0.84	315	0.13%	A1	AA	AA-
15895	40139LBD4	GUARDN	1.250	05/13/2026	Guardian Life Global Funding	05/18/2021	05/19/2021	6,800,000.00	6,800,000.00	6,619,705.07	(180,294.93)	1.250	0.84	316	0.09%	Aa1	AA+	
15947	64952WED1	NYLIFE	1.150	06/09/2026	New York Life	08/26/2021	08/30/2021	9,860,000.00	9,912,159.40	9,573,840.91	(338,318.49)	1.036	0.92	343	0.14%	Aa1	AA+	AAA
15960	64952WED1	NYLIFE	1.150	06/09/2026	New York Life	10/06/2021	10/08/2021	10,383,000.00	10,368,879.12	10,081,662.29	(287,216.83)	1.180	0.92	343	0.14%	Aa1	AA+	AAA
16018	64952WCH4	NYLIFE	2.350	07/14/2026	New York Life	03/30/2022	03/31/2022	20,000,000.00	19,456,800.00	19,596,751.00	139,951.00	3.030	1.00	378	0.27%	Aa1	AA+	AAA
16000	59217GER6	MET	1.875	01/11/2027	MetLife	01/05/2022	01/11/2022	20,000,000.00	20,047,600.00	19,329,923.00	(717,677.00)	1.825	1.47	559	0.28%	Aa3	AA-	AA-
16448	023135BR6	AMZN	1.200	06/03/2027	Amazon	05/27/2025	05/28/2025	13,163,000.00	12,432,190.24	12,498,023.40	65,833.16	4.100	1.87	702	0.17%	A1	AA	AA-
16066	59217GFB0	MET	4.400	06/30/2027	MetLife	06/30/2022	06/30/2022	6,250,000.00	6,245,250.00	6,288,866.13	43,616.13	4.417	1.89	729	0.09%	Aa3	AA-	AA-
16396	30303M8G0	META	3.500	08/15/2027	Meta Platforms	11/19/2024	11/20/2024	26,012,000.00	25,378,867.92	25,763,184.29	384,316.37	4.453	1.98	775	0.35%	Aa3	AA-	
16395	023135BC9	AMZN	3.150	08/22/2027	Amazon	11/19/2024	11/20/2024	25,000,000.00	24,209,000.00	24,592,763.25	383,763.25	4.380	1.97	782	0.34%	A1	AA	AA-
16381	037833DB3	AAPL	2.900	09/12/2027	Apple	09/27/2024	09/27/2024	25,000,000.00	24,495,500.00	24,462,934.00	(3,566.00)	3.625	2.05	803	0.34%	Aaa	AA+	
16405	037833ECO	AAPL	1.200	02/08/2028	Apple	12/04/2024	12/05/2024	10,000,000.00	9,108,400.00	9,326,096.00	217,696.00	4.230	2.51	952	0.13%	Aaa	AA+	
16449	931142EE9	WMT	3.700	06/26/2028	Walmart	05/27/2025	05/28/2025	25,000,000.00	24,731,250.00	24,911,692.75	180,442.75	4.074	2.71	1,091	0.34%	Aa2	AA	AA
16450	931142EN9	WMT	3.250	07/08/2029	Walmart	05/27/2025	05/28/2025	13,000,000.00	12,570,350.00	12,666,978.22	96,628.22	4.132	3.62	1,468	0.17%	Aa2	AA	AA
16433	478160DJ0	JNJ	4.700	03/01/2030	Johnson & Johnson	03/25/2025	03/26/2025	20,000,000.00	20,312,000.00	20,470,883.20	158,883.20	4.339	4.07	1,704	0.28%	Aaa	AAA	
					Corporates			338,128,000.00	328,930,596.38	332,469,694.91	3,539,098.53				4.57%			
15931	880541F36	TN-TNS	0.859	11/01/2025	State of Tennessee	07/13/2021	07/13/2021	15,000,000.00	15,000,000.00	14,833,923.00	(166,077.00)	0.859	0.34	123	0.21%	Aaa	AAA	AAA

Bond Holdings By Sector Report
Kern County

Accounting ID	CUSIP	Ticker	Coupon	Maturity Date	Short Description	Trade Date	Settlement Date	Par Value	Book Value	Market Value	Gain/Loss	Book Yield	Effective Duration	Days to Maturity	(%) of Portfolio	Moody's Rating	S&P Rating	Fitch Rating
16342	13063DMB1	CA-CAS	3.050	04/01/2029	State of California	04/25/2024	04/29/2024	14,740,000.00	13,594,407.20	14,257,167.72	662,760.52	4.843	3.47	1,370	0.19%	Aa2	AA-	AA
16364	13063EBPO	CA-CAS	5.125	09/01/2029	State of California	08/22/2024	09/03/2024	20,000,000.00	21,083,400.00	20,829,372.00	(254,028.00)	3.920	3.68	1,523	0.29%	Aa2	AA-	AA
16382	13063EBPO	CA-CAS	5.125	09/01/2029	State of California	10/21/2024	10/22/2024	14,850,000.00	15,476,373.00	15,465,808.71	(10,564.29)	4.156	3.68	1,523	0.21%	Aa2	AA-	AA
					Municipals			64,590,000.00	65,154,180.20	65,386,271.43	232,091.23				0.90%			
					Bond Holdings			6,785,639,000.00	6,590,692,198.23	6,686,357,347.53	95,665,149.30				91.53%			

